

## Reagan Says Never Again to Iran Tactic

By Gerald M. Boyd  
New York Times Service

WASHINGTON — President Ronald Reagan has repudiated his Iran policy initiative, saying "I would not go down that road again" if given the opportunity.

In a nationally broadcast news conference, Mr. Reagan also emphatically stated that he had no knowledge that profits from the arms sales to Iran were diverted to the Nicaraguan insurgents, called contras.

Mr. Reagan, who has appeared increasingly contrite in discussing the policy in recent weeks, said that he would not order the same initia-

tive, which has generated the most protracted and troublesome crisis of his presidency.

The news conference was dominated by questions on the Iran-contra affair with Mr. Reagan, from the start, striking a forthright posture in defense of his policy.

In contrast to his appearance at his last formal news conference on Nov. 19, when he was grim and even testy at times, the president Thursday night appeared in command and almost eager to provide an explanation of the initiative.

The president met many of the persistent Iran-contra questions with smiles. His answers, however,

reflected that he was still torn about the wisdom of the policy. He said at one point that he believed it had been proper.

"If I would not have thought it was right in the beginning, I would not have started it," he said.

Mr. Reagan underlined his concern about the Iran policy's future, which had been highlighted in a critical report by a special presidential investigative panel headed by John G. Tower, a former Republican senator from Texas.

"No, I would not go down the same road again," he said. "I will keep my eyes open for any opportunity for improving relations, and

we will continue every legitimate means of getting our hostages back for the reason that I explained earlier."

The president offered a long explanation of how the initiative had been developed, tying in the war between Iran and Iraq.

He said: "Our policy had always been based on trying to restore a relationship with a country that is very important strategically and also behind the scenes to try and get an end to that war, an end with no victory, no vanquished, both countries retiring to their own boundaries and so forth."

"So I wasn't going to miss that opportunity, and I approved our going ahead."

Asked if the Iran-contra controversy had complicated the government's efforts to gain the release of American hostages in Lebanon, the president replied, "It's rather hard to tell right now."

He said, "We're going to continue to explore, as we always have, every opportunity to get them out."

When asked whether former President Jimmy Carter was carrying a message to Syria seeking release of the hostages, Mr. Reagan seemed taken aback, first replying "No," and then saying, "I don't know."

"I'd be surprised if he was," he said, "and I'd be grateful if he did."

Speaking of the Israeli arms sale to Iran, Mr. Reagan said that at about the time the Reverend Benjamin Weir was released in Beirut in September 1985, he knew that the arms-for-hostages policy "must have come up" at White House meetings, and that "I must have verbally given the okay." But he said he could not remember it.

The president was asked if he knew directly or indirectly whether funds were diverted to the contras, and if he had been deceived by Rear Admiral John M. Poindexter, his former national security adviser, or Lieutenant Colonel Oliver L. North, a former aide on the National Security Council staff.

Mr. Reagan replied, "I did not know there was any money involved." He added that Attorney General Edwin Meese 3d had told him of the diversion after a short investigation.

He said he did not want people to "think we were covering up something."

Asked if the two military officers told him anything about the diversion of Iranian arms money to the contras and whether they had done his bidding, Mr. Reagan responded: "I don't know."



ON PAGE 4

■ The president is unyielding on two essential points of his Iran-contra policy.

■ The CIA maintains it played a down-chances of improving ties with moderate elements in Iran.

■ John K. Singlaub suggested in 1985 that arms sales be diverted to the contras.

tion with Israel on the original arms shipment to Iran.

Thursday night, Mr. Reagan called that simply a "misstatement" and repeatedly denied any effort to mislead the public.

Nonetheless, the November news conference is generally considered to have contributed to the most severe credibility crisis in Mr. Reagan's six years as president.

A Washington Post-ABC News poll early this month indicated that a 53-to-45 percent majority of the public did not think Mr. Reagan had told the truth about the Iran affair.

Republicans seemed relieved that Mr. Reagan avoided the public relations disaster he encountered at his last news conference Nov. 19, when a clarification had to be issued moments after the last question had been asked correcting his statements about lack of consulta-

"I'm not sure he succeeded in really putting the issues to rest. He seemed to be vacillating between saying he made a mistake" and admitting that "it just didn't work out right. I'm not sure he closed those issues tonight."

George E. Reedy, a White House press secretary under President Lyndon B. Johnson and now a professor at Marquette University, said, "The president took command."

People here are concerned that similar things happened under the new administration, "Mr. for," said Mr. Reedy. "He didn't put that

## U.S. Approves Sale and Use of AZT; Drug Prolongs Lives of AIDS Patients

By Irvin Molotsky  
New York Times Service

WASHINGTON — The first drug intended for the treatment of AIDS patients was approved Friday for sale by prescription in the United States.

Both government and drug company officials emphasized, however, that the drug was not intended as a cure, but rather as something that might prolong the lives of people with the disease.

The drug is AZT, short for azidothymidine, made by the Burroughs Wellcome Co. of North Carolina, under the brand name Retrovir.

Its approval, which means it can be prescribed by doctors, had been expected since January, when the company made its presentation before the Food and Drug Administration.

Wellcome has received permission from Britain to begin selling Retrovir there in May.

The company now has the capacity to provide the drug for only a portion of victims of AIDS and has been making it available to more than 5,000 patients in clinical tests and investigative applications.

People engaged in caring for people with the disease said they were pleased by the announcement but concerned by the high cost of the drug, estimated at \$7,000 to \$10,000 per patient a year, which they say will force many people to exhaust their savings and go on the welfare rolls.

AIDS, or acquired immune deficiency syndrome, is a contagious disease that attacks the body's immune system, rendering it incapable of resisting other diseases and infections.

Detail from a portrait attributed to Heemskerck, sold for 4.4 million francs. Source: Melikian reports. Page 7.

GENERAL NEWS

■ A U.S. senator said that Jonathan Pollard was recruited after the CIA was found to be spying on Israel. Page 3.

■ An accused spy ring in France was probably seeking data on the engine of the European space shuttle. Page 2.

■ Bomb used in Philippines attack was part of arms seized by military in 1972. Page 5.

BUSINESS/FINANCE

■ A French bank announced it had agreed to a joint venture in the Soviet Union. Page 11.

■ How another player fell in the Wall Street scandal. Page 11.

peding abandonment of professional dignity. Within three minutes, the crowd had filled all 1,200 seats, and nearly 1,000 more physicists jammed the aisles and pressed against the walls. Outside, hundreds more

Several scientists called it the "Woodstock" of physics, a reference to the 1969 U.S. rock-music festival that marked a high point of youth culture of the 1960s.

Physicists from three continents converged on a New York hotel for a hastily scheduled conference on a string of discoveries that seem certain to produce a cascade of commercial applications in electricity, magnetism and electronics.

The fast-breaking research on superconductors, materials that carry electricity without any loss of energy, has over-

whelmed the ability of scientific journals to communicate it.

The meeting, called by the American Physical Society, brought new revelations, "some incredibly exciting results," Neil W. Ashcroft, chairman of the society's division of condensed-matter physics, said in opening the meeting.

The reason for the excitement is the discovery of materials that carry current with no loss of energy whatsoever at record-high temperatures, as high as 92 kelvins, or minus 181 degrees centigrade (minus 294 degrees Fahrenheit).

Before the breakthrough superconductors were a multibillion-dollar business, but they were limited to applications that

justified the enormous expense of cooling the materials almost to the physical limit.

Now, with a host of everyday applications in sight, scores of laboratories around the world have joined the effort to understand the materials, to discover new ones and to turn them into shapes that can be used in technology.

K. Alex Müller, of the International Business Machines Corp.'s laboratory in Zurich, announced the development of a superconducting thin film for electronics "which has been done over the weekend."

Bertram Batlogg of American Telephone and Telegraph Co.'s Bell Laboratories stunned the crowd by plunking down on the overhead projector a washer-size semi-

conducting ring and then pulling out of his pocket, wrapped in notebook paper, a sheet of wide tape made of the material, like vinyl to the touch.

Amid the intensity, the jostling, "the madness," as one theorist said, the audience strained to see chart after chart of technical data. Then, giving in to the reviving meeting's fervor, Mr. Batlogg set aside his graphs and said simply, "I think our lives have changed." The hall erupted with shouts and applause.

The physicists cheered colleagues from overseas whom most had never met: Mr. Müller from Zurich, Zhao Zhongxian from

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ABD MOHAMMED/The Associated Press

Badr Turner, the Lebanese wife of Jesse Turner, a Beirut University professor who was kidnapped Jan. 24, reads Valentine's Day wishes that arrived Friday at a roll on from residents of her husband's hometown of Boise, Idaho. Two other Americans and an Indian also were seized with Mr. Turner. University students add their own names to the scroll.

## 2d Saudi Hostage Freed in Beirut; Abduction Tied to Islamic Summit

By Ihsan A. Hijazi  
New York Times Service

BEIRUT — Another Saudi Arabian hostage was freed here Friday, the second in less than a week.

Syrian military officials said a Saudi businessman, Khaled Dib, who was seized near Beirut 56 days before, had been handed over to them. They did not say by whom. He was in good health, they said.

A group calling itself the Partisans of Islamic Jihad said they had abducted Mr. Dib, 24, but had offered no proof that they were holding him.

The group said it wanted to protest the convening at the time of a conference of Islamic heads of state in Kuwait.

Iran boycotted the meeting, declaring that Kuwait was not impartial and sided with Iraq in the Gulf war. Saudi Arabia plays a leading role among the Islamic states.

Like other secret organizations holding foreign hostages in Lebanon, the partisans are believed to be pro-Iranian Shiite extremists.

On Wednesday, a Saudi diplomat, Bakr Damashri, also was freed. He was abducted by gunmen at his West Beirut home in January. No one or group claimed responsibility for his abduction.

Mr. Damashri, an attaché at the Saudi Embassy in Beirut, appeared after his release at a news conference that was attended by Brigadier General Ghazi Kenan,

the chief of Syrian military intelligence in Lebanon.

General Kenan is also in charge of security measures being applied in the Moslem part of Beirut by 7,000 Syrian soldiers who arrived Feb. 22.

Twenty-four other foreigners, including eight Americans, are still held captive by a variety of clandestine factions here.

Mr. Dib, whose mother is Lebanese and whose father is a Saudi security officer, said he had been kidnapped for political reasons related to the Islamic summit conference.

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## For Would-Be Doctors, the Hungary Cure

By Henry Kamm  
New York Times Service

PECS, Hungary — In the search for a coveted place in a medical school, few young Americans have gone farther afield than the 30 who have come to this southern Hungarian town near the Yugoslav border.

That may be because few medical schools have proved as flexible as those in Hungary. The Americans and 70 students from 21 other countries, mainly in the Middle East, are enrolled in a six-year program taught entirely in English and using only American textbooks.

At Budapest University, students from West Germany, also a seller's market in medical education, are being taught in German. Such accommodation by Hungary is helping to fill a gap created in several Western countries as the supply of would-be doctors has exceeded the available places.

While cynical Westerners say the Communist government is motivated largely by a need for convertible currencies, Dr. Andras Tigray, a physician and biologist who heads the English-language program and the university's regular biology department, sees a gain for Hungary mainly in what he calls "the transfusion effect."

"Our university will become more open, I hope," he said.

Dr. Tigray says his American students are more motivated and harder-working than the average Hungarian student.

"All they want is the diploma and the good job that goes with it," he said of most Hungarian students.

"There was never anything else I wanted to be," said Garry Bullock,

The program's director sees a gain for Hungary from 'the transfusion effect.'

a sentiment much heard in Hungary: that with changes in economic policy, higher ideals have been eclipsed by material ambitions.

"When I was young, it was a great thing to get a job in a university department," he said. "Now they want a job in a county hospital."

Such state jobs make possible the establishment of a far more lucrative private practice on the side.

"Most of our students have what we call a 'satisfactory attitude,'" he said. He explained that "satisfactory" was equivalent to the American grade of D. It suffices barely to

get into Atlanta, who worked as a medical technologist before coming to Pecs. He is one of the few American students who are not of Hungarian descent. Most of the students learned about the program through Hungarian-American family contacts.

Others made the point that nothing could better prove their dedication than their acceptance of the prospect of six years in a Communist country, although most hope that midway in their studies an American school will accept them as transfer students.

"I'd be in seventh heaven," said group.

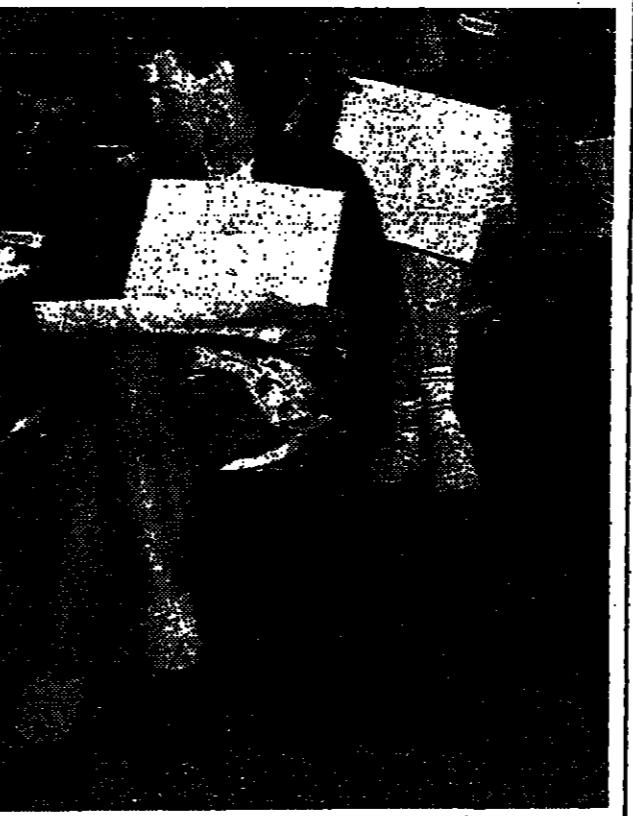
George Szilagyi, 23, of Pittsburgh. Some, like Lawrence Farago, 19, of San Jose, California, came because, as in other European medical schools, a high school diploma is enough for entry.

For others, the much lower cost of tuition and living is a factor. Tuition is \$3,000 a year, and the students make do with \$200 to \$250 a month to cover all other living expenses.

All are keenly aware of the risk in investing years of their lives in studies that will oblige them to prove to the examiners of the American Association of Medical Colleges and to hospitals where they will apply for residency that studying at a Hungarian university is as good as an education in the United States.

"It's going to be an uphill battle for most of us," said Joseph Hanak, 25, of Norwell, Massachusetts, who is here with his twin brother, George.

The students are enthusiastic about the thoroughness of their education, despite long days of lectures and labs followed by evenings of study. They feel that they have much better access to their teachers than they had at home partly because of the smallness of their group.



The Associated Press

FEELING SHORTED — Cesar Colmenero, one of Spain's top medical school graduates, on Friday inspected a list of assignments in Madrid made by the government for hospital internships. Mr. Colmenero decided to go without his pants to protest the selection system.

## WORLD BRIEFS

### EC Ministers Take Anti-Pollution Step

BRUSSELS (Reuters) — The European Community agreed Friday to new rules to reduce diesel exhaust emissions from trucks and buses in an attempt to reduce air pollution threatening the region's forests.

Diplomats said that the EC environment ministers had agreed that member nations would have to reduce by 20 percent over the next few years emissions of nitrogen oxide, widely seen as the main source of acid rain endangering forests and lakes.

The reduction would be compulsory for heavy vehicles, with tougher standards imposed for new models beginning in April 1988 and for all new vehicles beginning in October 1990. The EC Commission predicts that nitrogen oxide emissions will drop to 2.4 million tons a year from 3 million tons if the standards are applied to all heavy vehicles. The ministers also gave West Germany approval to move toward a ban of the sale of leaded regular gasoline.

### Ex-Prisoners Dispute Moscow's Count

MOSCOW (NYT) — Six recently freed political prisoners said Friday that the number of prisoners released to date falls well short of the Soviet government's announced total of 140. They estimated that there were about 1,000 more political prisoners in the Soviet Union.

"We must not forget them," said Sergei Grigoryants, a journalist who was among the first wave of prisoners returning to Moscow in early February. Mr. Grigoryants acted as a spokesman for the six former prisoners, who held a press conference Friday.

Only 94 prisoners had been freed so far, Mr. Grigoryants said. "We constitute a rather small part of the political prisoners in the Soviet Union," he added.

### Reagan Names SEC Chief as Envoy

WASHINGTON (AP) — President Ronald Reagan announced Friday that he plans to nominate John S.R. Shad, chairman of the Securities and Exchange Commission, as ambassador to the Netherlands. Mr. Reagan also said he planned to nominate Sol Polansky, a career member of the Foreign Service, as ambassador to Bulgaria.

Mr. Shad, 63, if confirmed by the Senate, would succeed L. Paul Bremer 3d. From 1970 until his appointment to the SEC in 1981, Mr. Shad was vice chairman of E.F. Hutton & Co.

Mr. Polansky, who began working for the State Department in 1952 as a translator at the U.S. Embassy in Moscow, has worked in various posts in embassies in Poland, West Germany and Austria. From 1983 to 1985 he was vice chairman of the U.S. delegation at the strategic arms reduction talks and in 1985 was deputy chairman of the U.S. delegation to the Conference on Security and Cooperation in Europe.

John S.R. Shad

### Warsaw Pact to Meet on Missile Offer

MOSCOW (Reuters) — Foreign ministers of the Warsaw Pact nations are to meet in Moscow to discuss the new Soviet proposal on medium-range missiles in Europe and other arms issues, Gennadi I. Gennadi, the Foreign Ministry spokesman, said Friday.

East European sources said they expected representatives from Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania would begin arriving Monday in Moscow.

Mikhail S. Gorbachev, the Soviet leader, proposed a pact with the United States last month on eliminating medium-range missiles from Europe, separate from other arms control issues. Secretary of State George P. Shultz is to go to Moscow in April to discuss the plan.

### U.K. Balks at Treaty in South Pacific

LONDON (AP) — Britain will not sign a treaty declaring the South Pacific a nuclear-free zone, the Foreign Office said Friday.

But the Foreign Office added that Britain has no intention of conducting nuclear tests in the area. A statement said Britain has no plans to test manufacture or base nuclear weapons on Pitcairn Island, the territory under British jurisdiction within the area covered by the treaty.

The statement said it "would not serve our national interests" if Britain would contribute around \$2 million (\$3.2 million), or about 6 percent of the \$50 million cost of the preparatory phase, the statement said.

The British contribution to the project compares with France's state of 45 percent, and West Germany's 30 percent share.

### Pretoria Blames the U.S. For Sanctions by Israel

The Associated Press

JOHANNESBURG — The South African government on Friday blamed U.S. pressure for Israel's decision to adopt sanctions against South Africa, including a ban on new military sales contracts.

The state-controlled South African Broadcasting Corp. said Israel's move underscored "the international blackmail role" of the bullyboy tactics — the United States Congress has now resorted to in its vendetta against South Africa.

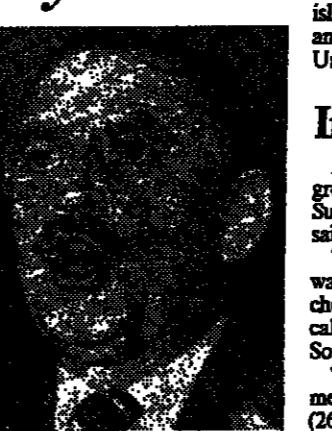
Critics of the white-led government in Pretoria and its policy of apartheid also expressed dismay.

Harry Schwarz, the finance spokesman for the liberal opposition Progressive Federal Party, said he had sent a telegram to Israeli leaders saying that blacks, "who deserve it least," would be hardest hit by the sanctions.

Israel said Thursday that its decision to ban arms contracts and to reduce trade and cultural ties had been prompted by South Africa's continued state of emergency, which was imposed on June 12 in the face of anti-apartheid violence.

A U.S. government report scheduled to be released April 1 is expected to list Israel as one of the five top weapons traders with South Africa. Israeli officials are said to have feared that the report would strain relations with Washington and lead to pressure for a cutoff in U.S. military aid to Israel, which totals \$1.3 billion this year.

The South African foreign minister, R.F. Botha, said Friday that



R.F. Botha

Israel's action was "clearly a direct result of pressure by the United States." The Israeli cabinet approved the sanctions on Wednesday.

The government-controlled broadcasting corporation said in a commentary that another "sad aspect" of the development was that Israel "had chosen to disregard the past friendship of South Africans and the special relationship the Jewish community in this country has with Israel."

There are approximately 120,000 Jews in South Africa. Some of them have opposed sanctions by Israel, contending that sanctions would foster anti-Semitism.

Night operations at Geneva's international airport in Geneva, Switzerland, and the Soviet Union have agreed to sign the treaty, but France and the United States have not.

### Indian Tamil Sought in Madras Blast

MADRAS, India (AP) — The leader of an Indian Tamil secessionist group was being sought in connection with a railroad bridge bombing on Sunday, in which at least 25 persons were killed, a senior police official said Friday.

The official, who spoke on condition of anonymity, said the suspect was known as Tamil Arasan, which means "Tamil king," and was a chemical engineer and bomb expert. He said the suspect headed a group called the Tamil Liberation Army, which has 60 or 70 members, in the South Arcot district of the state of Tamil Nadu.

"We are closing in on him," the official said. "We are interrogating members of the group." The explosion damaged a bridge about 160 miles (260 kilometers) south of Madras. An hour later, the Rockfort Express passenger train plunged from the bridge, killing at least 25 persons and injuring more than 200.

### For the Record

The U.S. Senate adopted an \$88-billion highway bill that allows states to increase the speed limit on rural interstate roads to 65 mph (104.6 kph), but President Ronald Reagan has said he will veto the measure. The bill has already been approved by the House.

### TRAVEL UPDATE

The Belgian national airline, Sabena, canceled 14 of its flights from Zaventem airport in Brussels on Friday as employees entered a second day of strikes over wages and work conditions, a company spokesman said. One incoming flight was diverted to Ostend.

Night operations at Geneva's international airport in Geneva, Switzerland, have been suspended indefinitely until runway lighting can be improved, Geneva radio reported. Operations are suspended from 6 P.M. to 6:30 A.M.

### Kodak to Allow South Africa Sales

#### Distributor Purchases Stocks and It's 'Business as Usual'

By William Claiborne  
Washington Post Service

The managing director of Kodak South Africa Ltd., Clive Lillequist, said that all direct overseas imports from Kodak would cease at the end of April. But he said, "we can't stop all our 500,000 world customers from deciding to resell to the South African operations which replace us."

Mr. Hurwitz said that Eastman Kodak Co., which has its headquarters in Rochester, New York, would not directly supply its products to South Africa from anywhere in the world.

"But we are completely confident," he said, "that with our worldwide connections we will continue to obtain all the Kodak products South Africa needs, as well as the latest technological developments."

Mr. Hurwitz maintained that despite the continued sales of Kodak products in South Africa, the parent company was adhering to the letter and spirit of its original disinvestment announcement.

Mr. Lillequist said that some South African Kodak employees had set up a company to take over the Kodak Service Division and microfilm services. A core of 12 senior executives previously with Kodak South Africa Ltd. will head the new photographic division of South Africa Druggists.

Local Kodak officials said all of the company's 567 employees would be absorbed by the diversified operations.

# AFGHANISTAN

Nothing has changed in 7 years.

December 27, 1979 such a long time ago. The Red Army was celebrating in Kabul on New Year's Eve. 1980 - 1981 - 1982 - 1983 - 1984 - 1985 - 1986, Afghanistan is swept by the wave of a bitter war. Today, Christmas is over again and nothing has changed for the Afghans. Food is as scarce as it used to be. But you can help. \$100 (or

any other currency) are enough to bring wheat, rice, clothes to the Afghans in the very heart of their country. Guido du Raid (a non-profit organization for humanitarian aid) sends volunteers to Afghanistan. Please, give to: Guido du Raid - Afghanistan - 11, rue de Vaugirard, 75006 Paris-France.

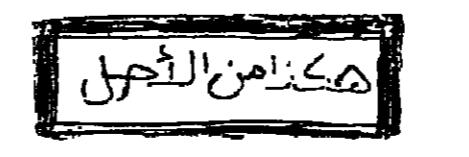
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## AMERICAN TOPICS

JESSE JACKSON  
IOWA HEADQUARTERS

**WARMING UP** — The Reverend Jesse Jackson with local officials in Greeley, Iowa, where he opened an exploratory committee office for the 1988 Democratic presidential nomination. Iowa will hold the first caucus of the campaign in January.

New Cities Spring Up  
In Suburban Areas

In what The Washington Post calls the "Los Angelization of America," satellite cities are springing up around every major U.S. city. As many as 14 such cities are emerging in the Washington area.

These satellite cities, also called by such names as "urban villages" and "megacenters," have more jobs than bedrooms, and they have replaced the suburban residential way of life with the convenience and congestion of cities.

This shift from pre-World War II cities to 21st-century cities," says Christopher B. Leinenberger, an urban development consultant, "is every bit as major as the 18th-century mercantile trading centers of Ben Franklin's Philadelphia being transformed into the 19th-century industrial cities like New York."

Some see that urbanization as the logical reversal of suburban sprawl. "This is not really the aberration," said Jane Jacobs, author of "The Death and Life of Great American Cities." "The aberration is how things got. I think we decentralized artificially."

One former suburbanite is Clayton Wine, whose half-acre (one-fifth hectare) lot in Fair Oaks, Virginia, was "out in the boondocks" when he bought the lot and the house for \$8,000 in 1954. Now he is surrounded by high-rises.

"I can live with it for the bucks," said Mr. Wine. He has turned down what he says is the most recent offer developers have made for his property: \$425,000.

## Short Takes

Business Administration said the government must either "replace these elevators, or put them out of service and make climbing stairs part of our physical fitness program."

NBC is refusing to change the name of "The Bronx Zoo," a new television series about a New York high school, despite complaints from educators. "Ghastly," said Tom Shannon of the National School Boards Association.

The title of the National Broadcasting Co. series "casts students as animals and teachers as caretakers," said Larry McQuillen of the American Federation of Teachers. The group had no quarrel with the program itself, in which Ed Asner, star of the "Lou Grant" series, plays the school principal. An NBC spokesman said the title is "slang for a collection of diverse characters." He predicted that complaints would die down, as happened with the title of another series, "Miami Vice."

Shorter Takes: City employees are forbidden to tell racial or ethnic jokes at work under a new law that took effect this month in Long Branch, New Jersey. • Notice posted outside the Collegiate Church Playschool in Manhattan and reported by Diana G. Smith to The New York Times: UNCOLLAPSED STROLLERS WILL BE TOWED AWAY.

—ARTHUR HIGGEEZ

Louis de Broglie, 94,  
Pioneer Physicist, Dies

Reuters

PARIS — Louis de Broglie, 94, who developed a revolutionary theory of the wave nature of electrons and was awarded the Nobel Prize in Physics in 1929, died Thursday in Paris.

He helped reconcile contradictions between the wave theory and particle theories of radiation, offering the hypothesis that particles would exhibit certain wavelike properties.

## Brilliant Pioneer

By Thomas W. Ennis  
New York Times Service

"The death of Louis de Broglie marks the disappearance of one of the most brilliant pioneers in contemporary physics," said Jean-Claude Lehmann, director of the physics department at France's National Center for Scientific Research.

Early quantum theory held that waves sometimes behaved like particles. Mr. de Broglie suggested in 1923 that particles, in turn, should exhibit wavelike properties, a prediction that led to the development of the field of wave mechanics.

The idea that there was a universal link between particles and waves was confirmed experimentally by others in 1927, and Mr. de Broglie won the Nobel award for his theory.

Mr. de Broglie belonged to a noble family, originally from Piedmont in northern Italy, that had founded a French branch before the 18th century and produced prominent French military, political and scientific figures.

He was known as prince most of his life, but in 1960, on the death of his elder brother Maurice, a fellow physicist, he was designated duke, the title traditionally held by the head of the family.

He was born in Dieppe. His grandfather, Albert, had been prime minister of France in the 1870s under Marshal Mac Mahon. A great-grandfather fought on Washington's side in the American Revolutionary War as the chief lieutenant of Lafayette.

Louis de Broglie studied at the Lycee Janson-de-Sailly in Paris and received a bachelor's degree in his



Louis de Broglie as a young physics professor in Paris

churches in Esbjerg, Farum, Hvidovre and Vangede.

■ Other details

Peter F. Culver, 42, senior vice president of Morgan Guaranty Trust Co. and general manager in Brussels of the Euro-Clear System for international securities trading, March 11, apparently of a heart attack, in Frankfurt.

He was the creator of such hand puppets and marionettes as Charlemagne the Lion and Slugger Rynn. He had been suffering from bone marrow cancer.

A former performer in the Ziegfeld Follies, Mr. Baird and his wife started on television in January 1950. They and their puppets were seen by millions on the Ed Sullivan, Jack Paar and Sid Caesar shows.

Johan von Spreckelsen, 57, Danish Architect

COPENHAGEN (AP) — Johan Otto von Spreckelsen, 57, a Danish architect who designed the huge open structure crowning the La Défense complex outside Paris, died here Wednesday.

Mr. von Spreckelsen's design was chosen in 1963 from among 424 entries. He referred to his 24-story creation as a "window on the world." In Denmark, Mr. von Spreckelsen was best known for his

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Israel Reportedly Recruited  
Pollard After Spying by CIA

The Associated Press

WASHINGTON — A U.S. senator has asserted that Israel recruited Jonathan Jay Pollard to spy on the United States after learning that the CIA had conducted an espionage operation against Israel in 1982, a source said Friday.

Senator David F. Durenberger, former chairman of the Senate intelligence committee, told a group of American Jewish fund-raisers and lobbyists that the former director of central intelligence, William J. Casey, authorized the operation during Israel's invasion of Lebanon, according to the source, who is close to the U.S. Congress.

Senator Durenberger, Republican of Minnesota, refused to confirm the report but indicated it was not unfounded.

The source, who was present at the meeting, confirmed a report published Friday in the Jerusalem Post that quoted Senator Durenberger as saying Mr. Casey recruited a senior Israeli Army officer, apparently a former American, who gave the United States top-secret information.

In Israel, Foreign Minister Shimon Peres and Defense Minister Yitzhak Rabin denied the Jerusalem Post report, United Press International reported.

["The charge is complete and utter nonsense," Israeli radio quoted

Mr. Rabin as saying. Most other officials declined comment.]

"It was a real bombshell," said the source. "We had never heard of this operation before."

He said the senator had told the same story to another forum recently, but declined to say where.

The source, who said he took accurate notes of Senator Durenberger's remarks, quoted him as saying that the CIA operation "answers the big question of why Israel spied on the United States."

The senator said Friday: "I did not say we had a spy, but I can't say that we didn't because I don't know if we had a spy."

"We have always had a relationship with the Israelis that we wouldn't spy on them and they wouldn't spy on us," he said.

"There was enough of a concern as to whether our side was living up to our side of the agreement. There was enough of an indication of that maybe we should have some concern."

The Washington source quoted Mr. Durenberger as saying at the meeting that the U.S. operation was stopped after Israeli officials began suspecting disclosures of secrets.

The publication of Senator Durenberger's comments, which were made off the record, the source

said, could further exacerbate tensions between Israel and the United States over the Pollard affair.

"This will now get into mud-slinging exchanges and that's something nobody needs or wants," said the source.

Some public recriminations between the United States and Israel have already begun.

U.S. Attorney Joseph E. DiGenna said in a newspaper interview that Israel might have other spies in the United States.

Mr. Rabin has denied this, saying Mr. Pollard was recruited in an unauthorized operation, and accused unnamed officials in Washington of seeking to strain the friendly ties between the two countries.

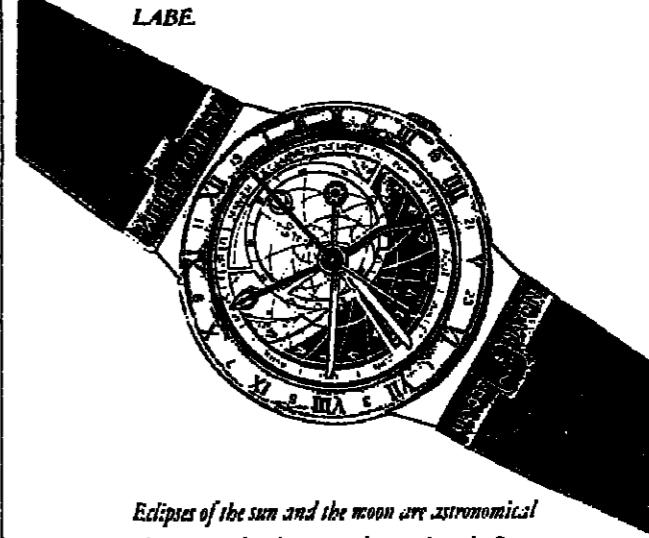
Mr. Pollard, an American Jew and former civilian analyst for the U.S. Navy, worked for Israel from the spring of 1984 until his arrest in Washington in November 1985, according to court records. The information he sold to Israel included details on weapons systems owned by Arab countries.

He was sentenced this month to life imprisonment. He said he decided to relay military secrets to Israel when he became convinced it was not receiving intelligence it critically needed from the United States.

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CAN ONLY BE SEEN ON THE ASTRO-  
LABE



Eclipses of the sun and the moon are astronomical phenomena that have saved man since the Stone Age. Divine displeasure or even the end of the world has often been apprehended as a consequence of these celestial configurations. Certainly the people who harbored such fears and superstitions did not, unfortunately, have an astrolabe. If they had, they would have known where and when the sun and the moon disappear from time to time. THE wrist astrolabe with its sun, moon and dragon bands predicts solar and lunar eclipses to the day and the hour. THE astrolabe costs about US\$ 25000 - or more if the movement is hand engraved with an 18 carat gold rotor and visible thru the sapphire back. It takes about four months of a watchmaker's time until celestial bodies begin to turn on the astrolabe's planetisphere. To learn more about the 30 astonishing functions of the astrolabe, visit the Watch Museum in Wuppertal, Germany, the Time Museum in Rockford, Illinois, or a leading watch dealer with a vision beyond hours and minutes.

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The assets include a \$2 million yacht and a \$1.2 million bank account in Miami, a \$2.5 million condominium in the Trump Towers in New York and a \$200,000 bank account in New York.

The size of the fortune that the Duvaliers have removed many of their assets from the United States since they fled Haiti and settled in France in February last year, the executive order will enable the Haitian government to work more easily through the U.S. court system for the eventual return of the assets that remain.

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## An Unyielding Defense On 2 Essential Points

### Reagan Firm on Hostages, Contras And Contradicts Tower Findings

By Lou Cannon

Washington Post Service  
WASHINGTON — Facing a severe test of his ability to present a coherent defense of his Iran-contra policy, President Ronald Reagan firmly stood his ground at his new conference before a barrage of questions that challenged his credibility and competence.

Mr. Reagan demonstrated that he had no intention of yielding on

#### NEWS ANALYSIS

the two essentials of the defense he has constructed in a series of statements and speeches about the affair.

One essential, which Mr. Reagan repeated Thursday night in varying forms, was that he did not intend his Iran initiative to turn into the trade of arms for hostages that he became.

The other essential, as Mr. Reagan told it, was that he knew nothing about diversion of proceeds from the Iran arms sales to the Nicaraguan contras until Attorney General Edwin Meese 3d informed him of it the day before it was disclosed publicly in November.

In holding to this account, Mr. Reagan contradicted some of the findings of the Tower board he appointed. But he said he accepted what the board said. The panel was chaired by a former senator, John G. Tower, a Republican of Texas.

The president also raised new questions about his recollection of the events that led to the arms sales to Iran in the first place.



Dennis Cook/The Associated Press

President Reagan selecting a reporter to ask a question during his press conference.

Early in his news conference Mr. Reagan was asked about the statement of his former national security adviser, Robert C. McFarlane, who told the Tower board that in early August 1985, after several meetings of National Security Council officials, the president had given Mr. McFarlane authorization in a telephone call to allow U.S. arms to be shipped from Israel to Iran.

Mr. McFarlane said he also re-

minded the president that both

Secretary of State George P. Shultz and Defense Secretary Casper W. Weinberger opposed this sale.

"Do you have no memory of

that, whatsoever?" a reporter asked

Mr. Reagan.

In a long response to this and a series of follow-up questions, Mr. Reagan repeated previous assertions that he remembered authorizing the arms sale but did not know when he had done it.

But Thursday night he appeared to incorrectly remember what Mr. McFarlane had said. The president disputed the idea that he had received a phone call, indicating that the question of approving the sale had been raised when Mr. McFarlane visited him in the hospital in July 1985 while the president was recuperating from cancer surgery.

The Tower commission report said that "in his meeting with the board on Feb. 11, 1987, the president said he had no recollection of such a meeting in the hospital in July with Mr. McFarlane and that he had no notes that would show such a meeting."

The president apparently was referring to the price the Pentagon worked out to charge the Central Intelligence Agency for weapons taken from U.S. stockpiles for

transfer to Iran, some of which replenished Israeli stockpiles.

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## Rebel Role in Philippine Blast Doubted

Reuters

BAGUIO, Philippines — A So viet-made anti-tank explosive used in the bombing of the Philippine Military Academy on Wednesday was part of a shipment seized by the military in 1972, a ranking officer said Friday.

The disclosure, by Brigadier General Jesus de la Cruz, cast doubt on claims that Communist rebels were to blame for the bombing.

General de la Cruz said a B-40 anti-tank bomb used in the explosion came originally from arms shipped to Communist rebels by China but intercepted and confiscated by the military.

Four persons were killed and more than 40 were injured in the explosion. The Communist New People's Army had been suspected of setting the time bomb, but it said it was not responsible. Western military analysts said they doubted the rebels would have carried out the bombing.

General de la Cruz, the regional military commander and a member of the investigating team, said he would "put no political color on the incident."

Other army sources earlier suggested that elements in the military opposed to the policies of President Corazon C. Aquino may have been responsible.

The explosion tore part of the roof off a grandstand and badly damaged a rostrum area where President Aquino would have stood on Sunday to review cadets graduating from the academy.

Mrs. Aquino visited the wounded in Baguio hospitals Thursday, and aides said she planned to go ahead with the ceremonies on Sunday. She is to deliver the keynote address as military commander in chief.

General de la Cruz said investigators believed the bombs were exploded prematurely but would not say who the intended target was or when he believed the explosion had been set to take place.

"Maybe it was not intended for President Aquino, maybe it was intended for senior officers," General de la Cruz said. The armed forces chief of staff, General Fidel V. Ramos, and other ranking officers were to take part in ceremonies on Saturday.

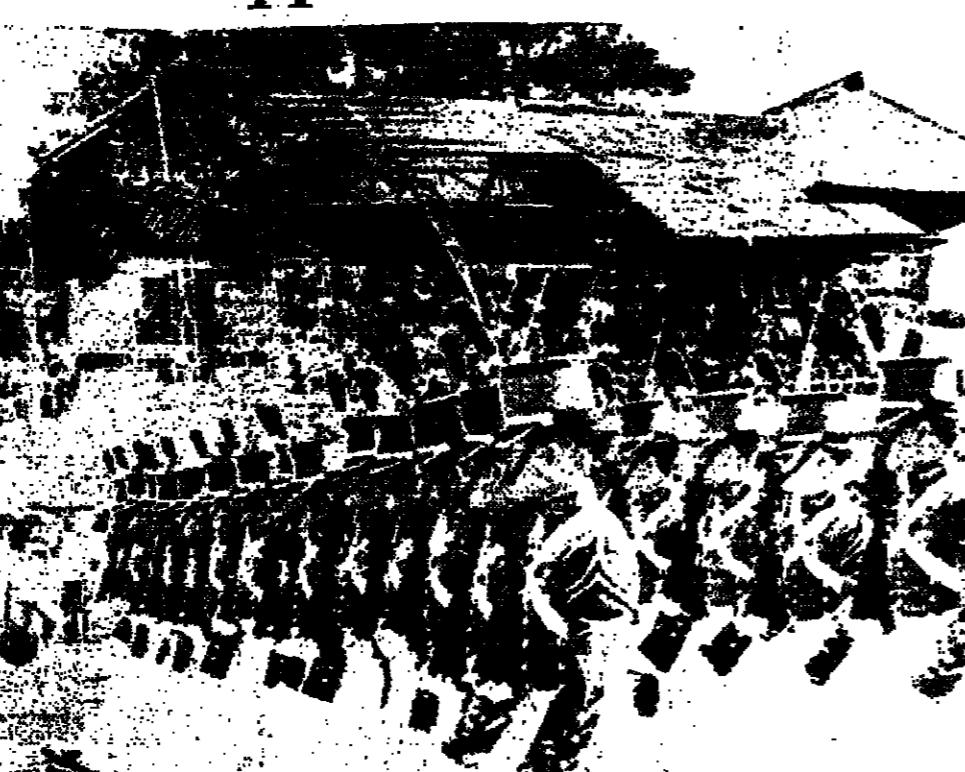
Mrs. Aquino, meanwhile, was described on Friday as "paved" at a U.S. official's criticism of her government's conduct of the war against Communist rebels. The military reported Friday that 18 more soldiers have been killed in that war.

A U.S. assistant secretary of defense, Richard L. Armitage, told a congressional Foreign Affairs subcommittee hearing in Washington on Thursday that the Aquino government "had regrettably failed to develop a comprehensive counter-insurgency plan that integrates military, political, economic and social programs."

The presidential press secretary, Teodoro Benigno, said a group of middle-level military officers who met Mrs. Aquino on Friday had also made clear they "deeply respected" the statements by Mr. Armitage.

Mr. Benigno said the officers told Mrs. Aquino that Mr. Armitage "had no business telling us what to do."

The military said rebels killed 18 soldiers Thursday in a daylight ambush of a company on foot patrol in a forest.



Romeo Ranoco/Reuters  
Cadets at the Philippine Military Academy, in a rehearsal, pass the review stand that was damaged by a bomb. President Corazon Aquino still plans to speak at the school Sunday.

## U.S. Warns Iran on Threatened Use Of New Anti-Ship Missiles in Gulf

By Don Oberdorfer

Washington Post Service

WASHINGTON — An Iranian military threat to interrupt the flow of Gulf oil with Chinese-made missiles has prompted U.S. warnings to Tehran and intensified diplomatic activity by the Reagan administration in the last two weeks, according to administration officials.

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"Maybe it was not intended for President Aquino, maybe it was intended for senior officers," General de la Cruz said. The armed forces chief of staff, General Fidel V. Ramos, and other ranking officers were to take part in ceremonies on Saturday.

Mrs. Aquino, meanwhile, was described on Friday as "paved" at a U.S. official's criticism of her government's conduct of the war against Communist rebels. The military reported Friday that 18 more soldiers have been killed in that war.

A U.S. assistant secretary of defense, Richard L. Armitage, told a congressional Foreign Affairs subcommittee hearing in Washington on Thursday that the Aquino government "had regrettably failed to develop a comprehensive counter-insurgency plan that integrates military, political, economic and social programs."

The presidential press secretary, Teodoro Benigno, said a group of middle-level military officers who met Mrs. Aquino on Friday had also made clear they "deeply respected" the statements by Mr. Armitage.

Mr. Benigno said the officers told Mrs. Aquino that Mr. Armitage "had no business telling us what to do."

The military said rebels killed 18 soldiers Thursday in a daylight ambush of a company on foot patrol in a forest.

## AIDS: U.S. Approves Use of AZT Drug for Aids Patients

(Continued from Page 1)  
cystis carinii pneumonia, or PCP.

In announcing approval of the drug by the Food and Drug Administration, Dr. Robert E. Wimdom, an assistant secretary of health and human services, said:

"Today's approval marks an important step, but by no means a final victory, in our ongoing war against AIDS. Retrovir is not a cure for AIDS, but it has a demonstrated ability to improve the short-term survival of AIDS patients with recently diagnosed PCP and certain patients with advanced ARC."

Dr. Wimdom said that it was estimated that 32,000 people had been afflicted with AIDS in the United States, with 14,000 still living.

In addition, the Public Health Service estimated that two to three times as many Americans have advanced AIDS-related complex as suffer from AIDS.

Medical authorities consider the complex simply an earlier stage of the always fatal disease. The number of cases has been increasing

led to a White House statement Feb. 25 that said: "We remain strongly committed to supporting the self-defense of our friends in the region" and "also strongly committed to ensuring the free flow of oil through the Strait of Hormuz."

Since then, the administration is reported to have come close to a decision to escort Kuwaiti shipping if Kuwait officially requests it.

At the time of the Feb. 25 statement, the administration had begun to pick up indications that Iran was moving the large anti-ship missiles to threatening positions on land near the Strait of Hormuz, the administration is reported to have come close to a decision to escort Kuwaiti shipping if Kuwait officially requests it.

The administration, they said, is also said to be considering an informal approach earlier this year by Kuwait, suggesting that U.S. naval vessels escort Kuwaiti tankers increasingly under Iranian attack.

Kuwait also made an approach to the Soviet Union for escort service in the Gulf, the officials said Thursday.

The Pentagon announced Thursday that the aircraft carrier Kitty Hawk and supporting warships have been moved into the northern Arabian Sea, within striking distance of the Iranian missile batteries.

However, a Pentagon spokesman, Fred S. Hoffman, said that the battle group was operating "in the normal manner and is not trying to send signals or warning."

Pentagon officials said that along with several destroyers and frigates operating in the Gulf, the navy had 17 ships in the region Thursday.

The carrier has a crew of 5,600 and carries 85 aircraft, including attack bombers that have a range of 1,000 miles (1,600 kilometers) when armed with a maximum load. They can use aerial tankers to extend that range.

The new move affecting the strategic waterway comes as the administration is being criticized, domestically and among friendly nations, for the consequences of its secret dealings with Iran.

Growing concern in the Gulf about Iranian attacks on shipping

is a copy of Soviet Styx surface-to-surface missile.

The Chinese-made missile is a

copy of Soviet Styx surface-to-surface missile.

face missile first put into service more than 25 years ago.

It has a range of 50 miles and carries about 1,000 pounds (450 kilograms) of explosives, five times the payload of the missiles previously used by Iran to attack Gulf shipping.

The positioning of the missiles near the mouth of the Gulf is considered an escalation in the threat to shipping because they are much more powerful and accurate than missiles fired from aircraft.

U.S. officials have said China has become the leading arms supplier to Iran in the last year. China has denied that it is supplying the weapons.

■ Missiles in 2 Sites

The missiles have been positioned in two places, on the north bank of the Strait of Hormuz and on an Iranian island close to shore.

The New York Times reported:

From these points, they could hit vessels in the narrow shipping lanes in the center of the strait.

They said that would damage Iranian interests more than those of Iraq, which Iran has been fighting since September 1980.

The diplomats pointed out that Iran ships its oil through the Strait of Hormuz, while Iraq oil is sent by pipeline through Saudi Arabia to the Red Sea or through Turkey to the Mediterranean Sea. Thus, they contended, the Iranian missiles were more of a psychological than a military threat.

On the other hand, the diplomats said, Iran has long been angered by the financial support that Saudi Arabia and other Arab nations have been giving to Iraq. Much of that support has come from Arab oil revenues, they said.

## TRADE:

Ire at Japan

(Continued from Page 1)  
\$2 billion we need to address it."

Mr. Dole, who is seeking the Republican presidential nomination, added: "Money alone is not the answer. We need to get the best minds in America. This epidemic is not going to wait for Congress. It is not going to wait for the administration. It's out there, its growing, it's on fire. And we need to coordinate all the efforts, worldwide, nationwide, the best way we can."

Although the other Republican presidential candidates have sought to address the AIDS issue, Mr. Dole's comments, in response to a high school student's question, was more specific than his rivals'.

The AIDS issue has emerged gradually in the campaign. Vice President George Bush, according to associates, has said in response to questions that the United States should play a leading role in AIDS education around the world. Earlier this month, he told a questioner in Sioux City, Iowa, "I would be remiss as vice president if I didn't stand by to address a joint session of Congress because of the anti-Japanese mood.

Meanwhile, the Japanese are making preparations for a visit to Washington by Prime Minister Yasuhiro Nakasone at the end of next month. But key U.S. lawmakers are discouraging any plans by Mr. Nakasone to address a joint session of Congress because of the anti-Japanese mood.

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## OPINION

## INTERNATIONAL HERALD TRIBUNE

## Turning Warily to Syria

The dispatch of Syrian troops directly into West Beirut last month put it in a position to press the pro-Iranian groups in the city's southern suburbs to start releasing the 20 or so hostages they hold. Presumably this includes the three Americans and, possibly, also Terry Waite. One hostage, a Saudi diplomat, is now free. He was presented at a news conference held by Syria's Lebanese clients the Shitate Moslem Amal, and by Syrian representatives. Saudi Arabia, it can be argued, is always a special case in the Arab world. Still, the release of the diplomat has generated a quiet wave of new hope that, with further Syrian help, other hostages also may be freed.

Precisely here a central irony of counter-terrorism comes to roost. Syria is one of the bad guys. It was among the first countries placed on the U.S. government's terrorism list in 1979. Last year its operatives were convicted of major offenses in the courts of two democratic countries. The rights group Amnesty International has charged Syrian troops with murdering hundreds of civilians in the Lebanese city of Tripoli in December and executing 23 pro-Iranian Shiite fundamentalists in Beirut in February.

—THE WASHINGTON POST.

## Democracy's Antibodies

The American political system has been sorely tested in recent months. Charges of high-level influence peddling and suspicions of lawbreaking in the White House have strained confidence in the administration and in democracy itself. Now, for a nation so injured by greed and abuse of power, there is fresh evidence of democratic vitality.

Unusually, some of the powerful are putting their differences aside for a swift and just resolution of the scandals. The courts have rebuffed challenges to the constitutionality of the independent prosecutor. Surprisingly, House and Senate leaders have agreed to cooperate with each other and with the independent counsel.

The perjury indictment of Michael Deaver, the former White House deputy chief of staff, is only the latest proof that the powerful are accountable under the law. Two highly placed military officers, Rear Admiral John Poindexter and Lieutenant Colonel Oliver North, are under investigation for apparently circumventing the laws in the Iran-contra affair.

The investigations are in the hands of select congressional committees and an independent counsel, all talented and proper but potentially debilitating competition. Now the committees have decided to hold extraordinary joint hearings to get more quickly to the bottom of these. They have found broad agreement with the independent counsel, Lawrence Walsh, about when and how to compel the testimony of Admiral Poindexter.

—THE NEW YORK TIMES.

## Whatever Hirsutes You

In the world of cosmetics, the currency is dreams, and fantasy defeats hard truth. Now comes Minoxidil, a hair restorer that the U.S. Food and Drug Administration seems about to approve as safe and effective. Is this another wishful illusion or does the chemical really resurrect hair? The answer seems just a smidgen of both.

Men believe, often quite erroneously, that they lose their attractiveness along with their hair. Many will pay and do almost anything to make bare scalps bloom. That is why for months Upjohn's stock has been floating in the stratosphere on the notion that its blood pressure drug, Minoxidil, has a hair-raising side effect. This week a group of scientists advising the FDA declared that Minoxidil was indeed effective at making hair grow.

But the bald should hold on their hats a while longer. The scientists do not mean 100 percent effective, only that rubbing a lotion of Minoxidil into the scalp twice a day makes a statistically significant difference, compared with rubbing in a lotion of nothing. Even Upjohn claims only 40 percent of people will benefit. Robert Stern, the chairman of the advisory group, which

used more rigorous data than Upjohn's, suggests about 15 percent.

The drug will be expensive — around \$50 a month — and most of those who try it will spend several hundred dollars before finding it leaves them wiser but no more hirsute. As for the lucky 15 percent, they will be committed to spending \$600 a year for life, which could be a lot more painful than mere baldness. If the drug is stopped, new hair fall out.

Why would the FDA give its blessing to so dubious a gift? Americans are already rubbing Minoxidil into bald patches, though it is approved for other purposes. And there are worse things than Minoxidil. "If you are worried about the consumer, this type has been rubbing placenta on his scalp and all other kinds of strange things," says Neal Penney, another FDA adviser.

But if the agency's defense of the consumer is to be more than skin deep, it will insist the low chances of success be clearly stated on the drug's packaging, and encourage Upjohn to define better who is likely to benefit and by how much. Otherwise millions of bald Americans will be scalped again.

—THE NEW YORK TIMES.

## Other Comment

## Cooking the Soviet Books

Several U.S. and European experts on the Soviet economy see evidence that change-resistant bureaucrats are deliberately cooking the books in order to paint a rosier economic picture than the facts warrant.

Soviet statistical organizations are not above toying with the figures for political reasons. But on the whole, Western experts have found Soviet economic statistics to be basically accurate over the years.

Recently, however, Soviet-watchers such as Ed Hewitt of the Brookings Institution, Philip Hanson of the University of Birmingham in England and Jan Vanous of Washington-based Plancon Inc. say that they have spotted some outright deceptions. Growth in national retail trade was officially reported to be 4.3 percent in 1985 and 6.4 percent last year, for example, while several Western experts who cross-checked the estimates with other data have concluded that the real figures were more like 1.6 percent in 1985 and 0.5 percent in 1986. Real growth

in national income actually was only 0.8 percent in each of the last two years, rather than the 3 percent-plus figure reported by the Central Statistical Administration.

Western analysts do not believe that the distortions are part of a disinformation program aimed at the West. One explanation might be that the phony figures are inspired by Mr. Gorbachev and the Politburo to make their stewardship of the Soviet economy look good. But Mr. Vanous and Mr. Hewitt, among others, doubt it.

They believe that Mr. Gorbachev is actually the victim of the phony figures, that officials in the planning bureaucracy who oppose his reforms are conspiring with senior party officials who also oppose the loosening of controls. As Mr. Hewitt said, "Fake progress is another way of saying, 'We're doing O.K., so let's not change.'

If this is correct, the fudging with statistics underscores the depth of the entrenched opposition to even the relatively modest reforms proposed by Mr. Gorbachev.

—The Los Angeles Times.

## 'Glasnost' Is Just Leninism With a Gorbachevian Gilding

By George F. Will

WASHINGTON — On the same recent day a Soviet official acknowledged what the world has long known — that the Soviet Union has chemical weapons — and a Soviet agency acknowledged what no one ever doubted — that there is inflation in the Soviet economy — there was a third and comparably dramatic development on the glasnost front. It was reported that glasnost has a glittering pedigree. Lenin lived it.

It seems Lenin used the word "glasnost," meaning openness, 46 times. That is not a promissory use when spread through 55 volumes of his writings, and some uses are of almost delphic inscrutability: "Glasnost is a sword which itself can heal the very wounds it may inflict" and (the loved mortal metaphor) "it is good to use 'the artillery fire of party glasnost to combat vice and error.' Of course the party alone defines vice and error."

Near the Kremlin a poster reads, "Even today Lenin is more alive than all the living." His texts are scrutinized the way theologians scrutinize scripture. Ten linguists toiling full-time have compiled 2.5 million cards establishing that Lenin used 37,600 different words; he invented 4,000, few of which are still used. One still in use is *chekist*. It means "secret policeman."

Pravda recently published a long celebration of the 65th anniversary of the golden day when

Lenin first used the word *perestroika*. It means "reconstruction," and Mikhail Gorbachev adores it. Two words Lenin used frequently were "bureaucratism" (600 citations) and "discipline" (400). He deplored bureaucratism and praised discipline, as does Mr. Gorbachev.

*Gorbachev's aim is to make the Leninist system more efficient. Is that in the West's interest?*

whose recent rhetoric praises "resolute struggle against negative phenomena, permissiveness, mutual protectionism."

A Gorbachev aide appearing on American television was asked how Mr. Gorbachev could promise more democracy, given that Soviet ideology for 70 years has said the Soviet Union has perfect democracy, defined by Lenin as "democratic centralism," meaning rule by the party, which, as the vanguard of the proletariat, always knows best. The Gorbachev aide explained: "We want to have more of the same."

Glasnost is more of the same Leninism. It is the ostentatious "pardon" of a tiny portion of

political prisoners — the word "pardon" under-scoring that dissent is criminal — combined with a more than countervailing crackdown on Jewish refuseniks. During Khrushchev's fall in the early 1960s, liberalization rose from below, and the line between permissible and impermissible behavior became blurred. Mr. Gorbachev's thaw is imposed from above, reassuring the regime's unlimited capaciousness. For example, "Dzhezvago" will finally be published, but the regime squelched rumors that it would permit publication of Solzhenitsyn's "Cancer Ward."

It is now obligatory in polite society to say that if Mr. Gorbachev means what he says about reforms, we should hope he succeeds. But is anyone listening to what he says? His reiterated aim is to make the Leninist system "more of the same" more efficient. Why that in the best interests of the West?

Mr. Gorbachev has been Soviet leader for more than two years. Thus it is indicative of his values that the Soviet press is still full of Goebbels-like lies. One such lie is the Soviet report that the AIDS virus was concocted by U.S. scientists, and that AIDS outbreaks around the world often occur near "American war bases."

Vassili Aksyonov, the dissident author whose Soviet citizenship was revoked in 1980 while he

was on a U.S. lecture tour, recently went to a library to peruse some glasnost-era Soviet publications. He concluded: "What's new? Can I distinguish today's Soviet papers from those of yesterday, which made me instantly nauseous? Yes, there are things that are new: the mention of some previously taboo problems, a certain critical intonation borrowed from dissident groups of the '60s, some steaming rebukes to the bureaucracy. But — should I list it openly? — the papers still make me nauseous."

Mr. Aksyonov is not talking about traits like the AIDS story. He has subtler memories in mind: "The First Thaw, back in the '60s, produced a group of people with a penchant for winking. Those who went beyond winking and dared to call a spade a spade were brutally kicked out of the country. Apparently those winking liberals are going to be in fashion again, with all their paraphernalia of euphemisms, hints, vague allusions, and ideological ambiguity."

As an example: Under glasnost, as usual,

the mention of Judaism in a positive mode is considered inappropriate.

When a new generation takes over an old neighborhood and tidies up, Vietnam houses while preserving their basic structure, it is called "gentrification." Glasnost can thus properly be called the gentrification of totalitarianism.

Washington Post Writers Group

## Europeans Shouldn't Sniff At Wall Street's Scandals

By Flora Lewis

PARIS — Among themselves, Europeans businesses and financiers are queaking at the implications of the Wall Street financial scandals. They worry about a sudden loss of investor confidence if the scandals turn out to be more widespread than it appears. The stock markets are still high, but prices are considered to represent a speculative bubble due in large part to what is now called the "oil bonus," not to real growth.

Industrial countries have "saved" \$70 billion to \$100 billion as a result of lowered oil prices. Economists ask where that money, which would have been paid to oil producers, has gone. The answer seems to be primarily into the stock markets, bidding up quotations rather than expanding production and creating jobs.

As a result of three important changes in recent years, a new global financial market is developing, linking national markets. Computer communications providing instant information around the world, removal of regulations on capital transfers in major European countries, and what the experts call "financial engineering," new techniques for raising funds, have combined to create an unprecedented flow of money across borders without relation to actual trade.

This spreads the risks and can be considered a new strength in the world system, one economist said, but he pointed out that it also means a much bigger blowout if the bubble bursts.

Another economist noted that it also means pressures will mount for some standardization of market rules and practices, which now vary widely from country to country. That is almost a U.S.-type regulation in European markets, and the dealers dread the idea that it may be forced on them.

The traditional European system has been to rely on peer pressure, the supposition that established houses will keep each other honest because it is not gentlemanly not to be. Of course, that leaves it up to the gentlemen who run the market to decide what is and what is not honest.

They do not like the thought of investigators prying into their records, and they worry that tie-ups with U.S. firms will subject them too to unaccustomed scrutiny. But the choice now is to open up national markets to outsiders or resign themselves to the backwaters of the global economy.

So it is time for the major countries to think about working up some international market rules. This would be a useful subject for the next seven-nation economic summit conference. The financial world has raced ahead of governments, but all depend on its being kept in reliable working order.

## Denouncing A Celebration Of Selfishness

By Haynes Johnson

WASHINGTON — For months, Americans have been confronted with disclosures of scandal in public and private life, and in Washington. These raise disturbing questions about the nation's ethical climate and the standards it values. Not since the 1920s has the nation witnessed so much common celebration of greed and selfishness.

The public has reacted with growing disgust, a confidence shaken. This has created a receptive mood for serious discussion of America's political and ethical standards. In that respect, a new strength in the world system, one economist said, but he pointed out that it also means a much bigger blowout if the bubble bursts.

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A Dutch businessman with top-level international connections said sarcastically that there were three basic reactions to the scandals among the European establishments.

One has been to sniff at shoddy U.S. instruments such as greenmail and junk bonds and say: "It can't happen here. We don't do such things. That's why it's Americans who are being caught. We always knew Americans didn't keep up to our high moral standards."

But he said that what this really meant was that the Europeans keep their operations secret and no one makes a careful check on them: "We have political scandals but we hardly ever have corruption scandals because we aren't that open. Our dirty linen never gets washed."

He wouldn't let his name be published. Even to the whistle-blowers, the habits of "discretion" are too deeply set.

Another reaction here is to shrug off the Wall Street blizzards as incidents, not part of a pattern. That is an ostrich response.

And a third reaction is radical, though it comes from conservative industrialists who worry that the money markets on which they must rely are deteriorating into jungle capitalism. They talk about nationalizing banks.

The scandals, it pointed out, have all involved financial manipulators, takeover artists who move paper around, not the managers of productive companies. Further, they have not involved the big banks, which are accustomed to keeping detailed records and making full reports.

Some people here feel the commercial banks should be allowed to move on the relatively smaller investment houses and impose their stricter rules. But that would only add to

what the recent scandals tell us about the values of the people involved? They tell us that these people who are more interested in playing for high stakes than in working for the good of the nation.

There may be the major theme for next year's presidential election.

The Washington Post

## Pollard Affair: A Cactus With Fruit for the Israelis

By William Safire

WASHINGTON — As Americans were moving in

on the American hired to spy for Israel, Jonathan Pollard sent a message to Colonel Avieli Sella, one of his handlers who was in Washington at the time. The key word was "cactus"; it was a code word warning to run for cover.

Colonel Sella ran back to Israel. Until then, his career had been brilliant. He had planned and helped lead the attack on the atomic reactor in Bagdad, an act that in retrospect may have saved millions of Iranian lives. A genius on the computer, he figured out a way to outwit defensive computers on another operation, taking out 82 Soviet-built planes at no cost to the Israelis. He is Eddie Rickenbacker and Jimmy Doolittle and Wild Bill Donovan with a 30-megabyte brain.

He is also related by marriage to Chaim Zadok, a former Israeli justice minister who was determined to protect his career at all costs.

And what costs there have been. The Israeli military undermined democracy in Israel by forcing the defense minister to reward, not punish, the central figure in this "rogue operation." American public opinion, which has not blamed the Iranian disaster on the Israelis, condemns Israel's leaders for condoning if not directing the creation of an American traitor.

Amid these revelations, top Israeli leaders will finally put patriotism first and not only resign, bringing on new elections, but get out of politics for good. Both Likud and Labor will then look to younger leaders untainted by scandal to rejuvenate the ossified political system.

Israel's leaders are not Israel. Their shame, their implausible denials, their guilty knowledge, their attempt to put the entire burden on the Pollards and now on Colonel Sella — all that will go out when the new broom sweeps clean.

Only Israel's people are Israel — sabras, like the cactus, tough on the outside, sweet on the inside. And faced at this betrayal, they will arm themselves and strengthen their democracy in rising to their greatest peace-time challenge.

The New York Times

## IN OUR PAGES, 75 AND 50 YEARS AGO

## 1912: Plot to Kill Knox

NEW ORLEANS — A steamer arriving from Nicaragua [on March 20] brought news that shortly after the departure of Philander C. Knox, U.S. Secretary of State, from that country a few days ago on his tour through Central America, 13 dynamite bombs were found beneath the railway over which his train travelled from Corinto to Managua. The steamer had stopped at the station, and Fred Noonan all escaped unjured. The famous aviator and his companion had started the machine down the runway. It traveled for 100 feet, when it swerved left and then skidded, turning over on its nose and wingtip. Miss Earhart, Harry Manning and Fred Noonan all escaped unjured. The famous aviator and his companion had started the machine down the runway. It traveled for 100 feet, when it swerved left and then skidded, turning over on its nose and wingtip. Miss Earhart, Harry Manning and Fred Noonan all escaped unjured.

SAN FRANCISCO — "The visit of

Secretary Knox is calculated to create

a feeling of greater friendship for this country, but his efforts should be seconded by American business men," says the San Francisco Chronicle.

"Our commercial interests might well send representatives to Central and South America to build up trade relations that have steadily declined."

HONOLULU — Amelia Earhart's projected round-the-world flight, which started with a record-breaking hop from Oakland, California, to Honolulu, came to sudden end [on March 20] as her Lockheed Electra plane crashed as it was attempting to take off on the second leg of the flight. Miss Earhart, Harry Manning and Fred Noonan all escaped unjured. The famous aviator and his companion had started the machine down the runway. It traveled for 100 feet, when it swerved left and then skidded, turning over on its nose and wingtip. Miss Earhart, Harry Manning and Fred Noonan all escaped unjured



NYSE Most Actives						
Vol.	High	Low	Last	Chg.		
Novartis	4534	715	675	+ 15		
Pon Am	3624	476	476	+ 16		
AT&T	26199	24	23	+ 24		
Oak Ind	2484	274	274	+ 24		
Amex	2294	274	274	+ 24		
Philips	21826	155	145	+ 15		
Wendt's	1874	115	105	+ 15		
Elson	1842	854	844	+ 15		
Motorola	16232	574	554	+ 15		
Chernoff	13963	62	60	+ 15		
Hewlett	13963	62	60	+ 15		

Market Sales						
NYSE 4 p.m. volume	232,795,400					
Advanced 1 p.m. volume	102,200,000					
Amex 4 p.m. volume	17,290,000					
AMEX prev. close, close	15,860,000					
NYSE 4 p.m. volume	17,290,000					
NYSE volume up	150,925,300					
NYSE 4 p.m. volume	172,712,870					
Advanced 1 p.m. volume	17,290,000					
Amex volume up	16,625,195					
OTC volume up	16,625,195					
OTC volume up	16,625,195					
OTC volume down	16,625,195					
NYSE 4 p.m. volume	16,625,195					
OTC volume up	16,625,195					
OTC volume down	16,625,195					
NYSE 4 p.m. volume	16,625,195					
NYSE 4 p.m. volume	16,625,195					

NYSE Index						
Composite	High	Low	Close	Chg.		
Industrials	149.25	147.75	147.75	+ 2.25		
Trans.	149.10	147.60	147.60	+ 1.50		
Utilities	148.10	146.60	146.60	+ 0.40		
Finance	148.10	146.60	146.60	+ 0.40		

Friday's NYSE Closing						
Composite	High	Low	Close	Chg.		
Industrials	149.25	147.75	147.75	+ 2.25		
Trans.	149.10	147.60	147.60	+ 1.50		
Utilities	148.10	146.60	146.60	+ 0.40		
Finance	148.10	146.60	146.60	+ 0.40		

Via The Associated Press

NYSE Diary						
Advanced	Close	Prev.				
Declined						
Unchanged						
Total Issues	1297	1255				
New Highs	12	12				
New Lows	4	4				

Odd-Lot Trading in N.Y.						
Open	Buy	Sales	*Chg.			
March 19	224,427	405,701	+ 2.67			
March 18	410,491	624,349	+ 4.62			
March 17	395,271	594,200	+ 4.62			
March 16	302,362	523,262	+ 19.34			

\*Included in the sales figures

Dow Jones Averages						
Close	Chg.					
Bonds	-0.05					
Utilities	-0.04					
Industrials	-0.04					

AMEX Diary						
Close	Prev.					
Advanced	312					
Declined	311					
Unchanged	226					
Total Issues	539					
New Highs	2					
New Lows	4					

Standard & Poor's Index						
Open	High	Low	Last	Chg.		
March 19	2304.45	2304.50	2304.50	+ 2.63		
March 18	2404.10	2404.05	2404.05	+ 1.65		
March 17	2247.00	2246.95	2246.95	+ 1.05		
March 16	2302.35	2302.30	2302.30	+ 1.35		

NASDAQ Diary						
Close	Prev.					
Advanced	1,738					
Declined	1,629					
Unchanged	1,207					
Total Issues	4,597					

AMEX Stock Index						
High	Low	Close	Chg.			
March 19	308.79	307.77	307.77	+ 0.00		
March 18	308.79	307.77	307.77	+ 0.00		
March 17	308.79	307.77	307.77	+ 0.00		

AMEX Most Actives						
Vol.	High	Low	Last	Chg.		
Womb	1032	1020	1018	+ 10		
Worrell	1020	1010	1010	+ 10		</td

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# AVENUE

## INTERNATIONAL

A SPECIAL SECTION PUBLISHED BY AVENUE MAGAZINE, NEW YORK, NY

### THE GRAND SLAMMER

The word is that Mr. Inside Trader may be doing time at Eglin. Here's what it's *really* like inside the "Country Club Prison."

By Giacomo Pinti

**S**o you're going to Florida, Mr. B? The word on the street is you may be going to the slammer, and if you're going you'll probably do Eglin. It's where the nastiest of the pinstripes set serve their time. Not only has it hosted the world's most fashionable felons, like Albert and Aldo, as well as other top-ranked corporate transgressors, it has served as the temporary residence for a variety of onetime headliners of class acts from Watergate to Abscam. You may have been at the top of the arbs, Mr. B, but you'll be just another eight-digit number at Eglin.

Folks at the Federal Bureau of Prisons like to contend that Eglin itself is nothing special, just one of 21 minimum-security prisons among the 47 penal facilities in the federal system. Sure, other minimum-security camps closer to Wall Street—like Allenwood in Pennsylvania and Danbury in Connecticut—get their share of headliners, too. But down through the years Eglin has copped a reputation for being the jug of choice for the convicted rich and famous. And, although the Prison Bureau claims there's no "choice" involved, Eglin annually seems to walk away with the Celebrity Jail of the Year award. The fact that Eglin is in the Florida panhandle may be a factor. For many of the privileged malefactors who opt for Eglin, Florida has always meant sunny skies, soft sandy beaches, and plenty of fast action. That's not the Florida at Eglin, of course, but it's a tough image to shake.

Another thing you should know up front, Mr. B: although Eglin is in the South, it won't remind you

of the Monticello replica you were planning to erect on your Westchester estate. Although there's a certain wonderment to Eglin's maze of cubicles, grandiloquently designed into dormitory units, still, its barracks-style architecture doesn't quite soar. And although the prison is cut into a corner of the largest Air Force base in the nation, you may find its 27 acres a bit confining when you've been accustomed to ambling freely around a private 200-acre retreat. There aren't any security fences to give you that tight, closed-in feeling, but step over that white line in the road and you'll soon be sitting in a very tight cell in Leavenworth or Texarkana. And although you used to say, "I think greed is healthy," you'll have to abandon that philosophy. More than a buck in quarters in your pocket at any-one time will land you in solitary.

Now, first of all, Mr. B, do you know how to get to Eglin? Yes, of course you do, but we're not talking about geography. Rather than send the U.S. marshals to fetch you, the government prefers that you just show up at the gate on the assigned date. Saves the taxpayers money.

No problem with arriving by chauffeured limousine, Mr. B, although you might consider removing that gilded "IFB" license plate. They don't dig individualism at Eglin. You'll be Mr. 18926-849, or something just as distinctive.

The first sight of what the small directional sign calls the FEDERAL PRISON CAMP comes after you turn right at the second traffic light and then left by Range Road. That cluster of buildings down at the end of Inverness Road is the camp. Its

dominant structure is a neat, two-story white building trimmed in a warm brown with large, shady eaves and homey shutters on each window. It's surrounded by lush, manicured lawns, immaculately trimmed hedges (one of Albert's jobs was clipping them), immense oaks loaded down with Spanish moss, and large, spread-fanned cabbage palms.

It might be a small college campus. Yet there are no book-toting

that resembles nobody's idea of a prison. James Cagney is not banging his cup on his cell bars. Dour-faced inmates aren't drone ominously in echoing, cavernous cell-block tiers. Clint Eastwood isn't secretly honing himself a bus-tire blade amid the whirling cacophony of the machine shop.

God, that would be exciting, wouldn't it, Mr. B? But at Eglin there are no bars, no tiers, no angry mobs. And you don't need to



At Eglin prison, inmates are housed in dormitory-style dwellings.

students strolling about. Everywhere there are clusters of men in blue worsted pants and jackets busily raking and sweeping or clipping or mowing. It looks like a campus for groundkeepers.

And yet it exudes a certain serenity. It's an island of tranquility in the corner of a bustling military post. The wind whispers through the tall pines, the soft sunlight sends hazy luminescent shafts through the canopies of the spreading magnolia trees. A hush prevails. Time seems to stand still.

And that'll be the bitch of it, Mr. B. Physically, you'll be in a place

flash a blade to bust out—you can just quietly walk away. As a result, Eglin is a relentlessly tranquil place, severely neat, unmitigatingly sterile, and oppressively placid. It's pleasant enough to drive you nuts.

Eglin's appearance is deceptive. The campus-like atmosphere, the extensive facilities and amenities, even the gracious entrance to the administration building, with its green-carpeted homey front porch and pleasant foyer where you'll first check in, can throw you off. You'll sit there in that comfortable chair, the nondescript wall hangings and muted wallpaper remind-

ing you of nothing more ominous than a dentist's waiting room. Soon a stocky, congenial-looking woman in a brown uniform will walk down the hallway from the records room, call your name, and lead you back through a door marked RECEIVING. Then the real Eglin will begin to come down on you.

First of all, Mr. B, you—a man who has cultivated and manipulated the power brokers of our nation, commanded deference from the world's top financiers, and had a cadre of Harvard M.B.A. flunkies jumping at your every command—yes, you will be given a printed form that sternly advises: *While here, you are expected to conduct yourself as a gentleman, to be courteous to other inmates, to respect authority, to obey all institution regulations, and to follow instructions of staff members.*

And you will. From the beginning you will be as docile as a lamb. You have no choice. That is what Eglin demands. You will be taken from the entrance foyer back to the receiving office where you will be told to sit down, then to sit up straight while you are photographed. For the first time in your life you will feel that smiling is inappropriate.

Then all your clothes will be taken from you and sent home. You will be issued prison clothes—four blue shirts, four pairs of work pants, four T-shirts, four undershirts, three pairs of white socks, one belt, and one pair of work shoes.

After you are led through all the admissions paperwork and interviews, you will be taken to what will be your new home away from home, so to speak, your very own dormitory cubicle. Well, just your-and-one-other-guy's very own dormitory cubicle in your-and-more-than-180-other-guys' very own dormitory.

There are five dormitory buildings set in a cluster behind the administration building. The fifth unit was only recently completed, but Eglin's population has risen to the point where it is as overcrowded as the older units. The dormitories are air-conditioned, beige concrete buildings with a window strip for light under the eaves and a few white-louvered slit windows along each wall. Each of the dorms is divided into four wings, with a walk-through bathroom facility between each wing. There are eight shower stalls and toilets in each bathroom. You will share that bathroom with 90 of your fellow inmates. It won't remind you of the bath in your private suite at the Beverly Hills hotel. There is no bidet.

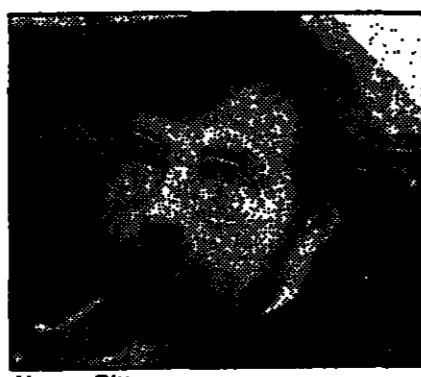
Each of the dormitory wings is blocked into a grid of cubicles formed by shoulder-high cinder-block walls. Standing, you can look across the entire dormitory and directly into adjoining cubicles. Not much privacy, but if there were banks of telephones and tables in the cubicles, Mr. B, it might remind you of a boiler-room sales operation for junk bonds.

You'll be assigned to one of the cubes, as they are called, with another inmate. Together you'll have a space measuring about seven feet by eight feet. Two iron-framed double bunks with thin mattresses are against one wall. The opposite wall is split into three partitioned units about 18 inches deep. One unit is a hanging locker with a shelf above it. The center unit is a "desk" section with a folding chair. The third unit is a stack of four shelves, two of them with locked doors. One is yours. That locked shelf represents the extent of your privacy at Eglin. And it is far from inviolate, because you can only use a special lock that must be purchased.

*continued on page 2*



Boris Kostelanetz



Harvey Pitt



Stephen Kaufman



Robert Morillo



Stanley Arkin



Peter Fleming

### THE NEW PINSTRIPE DEFENDERS

When the going gets tough, the tough get these lawyers.

By Jeffrey Kluger

**W**hen Ira Sokolow first walked into the law offices of Curtis, Mallett, Prevost, Colt & Mosle last June, he was 32, successful, comfortably wealthy—and in big trouble. Three weeks earlier, Sokolow and the rest of the New York financial community had been stunned when federal authorities announced the arrest of securities dealer Dennis Levine on charges of making a cool—and illegal—\$12 million trading on inside leads and information. While many on Wall Street looked at the news as little more than watercooler gossip, Sokolow saw it as much more: he was one of the people who had slipped Levine his hottest tips. And the feds knew it.

Sokolow was shown to the modest office of Peter Fleming, a gangly partner at Curtis, Mallett, whose reputation was made by his 1974 criminal defense of former attorney general John Mitchell. At the meeting, Sokolow—understanding little about the criminal system except that it had caught his scent and wanted his hide—cast his lot with Fleming.

The client told the lawyer his story: He and Levine were both

employed at the Shearson Lehman Brothers investment house. Levine had been trafficking in illegal information for some time, and finally approached Sokolow asking for any details he might be willing to share regarding deals or projects he was currently working on. Levine would be happy to pay for the information. Sokolow spilled what he knew and Levine paid him for the information—\$120,000 in all.

Now Sokolow was worried. Would he have to pay a fine? Would he have to go to jail? Could he continue to be a securities trader? He asked Fleming, head of the white-collar defense division at Curtis, Mallett, to represent him as he made his disclosures to the government, whatever the consequences might be.

This kind of case was hardly new to Fleming. For Sokolow, it was the beginning of a long and frightening legal ordeal. For his attorney, it was another day on the job.

Peter Fleming is one of a growing clutch of lawyers who make it their business to look after the world's Sokolows, Levines, Boesky's, and Poindexters—those busi-

ness or political leaders who, through criminal conduct or simple recklessness, wake up one day to find themselves facing the very real danger of swapping their vertical pinstripes for fat horizontal ones.

While white-collar—make that pinstripe—crime in America is nothing new, the nation's lust for prosecuting it is. Since the parade of Watergate trials in the 1970s, district attorneys across the country—and their constituencies—have lost their willingness to wink at the felonies that are committed in the highest circles of industry and government. As the ranks of the defendants have swelled, so has the market for savvy lawyers able to pump up a jury's sympathy for a millionaire or a senator led into court with both hands tightly stuck in a cookie jar. A top defense attorney at a top law firm can now command fees as high as \$300 an hour; even junior partners may bill more than \$100. Complicated criminal cases can often wind up costing the defendant almost half a million dollars. And, with some trials consuming more than three years from first investigation through final appeal, the million-dollar defense is growing increasingly common.

Not surprisingly, the most well-regarded defense attorneys tend to cluster where the mischief is. As often as not, that means New York and Washington. More and

more, pinstripe clients in fear of becoming pinstripe defendants are forgoing the all-purpose attorney and availing themselves of this growing field of practitioners.

**B**oris Kostelanetz is managing partner of Kostelanetz & Ritholtz; he is now marking his fortieth year as one of New York's most successful attorneys for white-collar defendants.

"The cases we handle can involve almost anything," he says.

"Tax evasion, fraud, antitrust, food and drug violations, forgeries, embezzlement, theft. When I first got

started, back in the thirties, prosecutors didn't really want to handle white-collar cases; they were considered too dull. Why worry about some guy who performed a little hocus-pocus on the company books when there's a white slavery ring you can go after? Now, of course, all that has changed."

And changed dramatically. "The

last few years have seen a big expansion of white-collar prosecution," says Stanley Arkin, head of the six-man firm of Stanley S. Arkin, P.C. "This is particularly true in the securities area, particularly true on the Eastern Seaboard, and particularly true in New York City."

Peter Fleming of Curtis, Mallett

agrees: "Some years only thirty percent of my work is white-collar defense; some years it's as high as seventy percent. This could be one of those high periods; 1987 looks

like it's going to be the Year of the Inside Trader."

Indeed, Fleming's client, Ira Sokolow, was small game compared to Dennis Levine; and Levine himself turned out to be just a costar in the year's most notorious insider-trading case: the prosecution of Ivan Boesky. Fined \$50 million by the SEC, required to pay back an ill-gotten \$50 million, and pleading guilty to a single charge, Boesky is represented by Washington, D.C., attorney Harvey Pitt, a partner in the multistate firm of Fried, Frank, Harris, Shriver & Jacobson.

"The prosecutor's office in the Southern District of New York has an extremely aggressive program going," Pitt says. "And a lot of it seems to be geared to securities cases."

The people likely to feel the prosecutor's pinch are not the small-potatoes, dine-at-a-time salary men who occasionally dabble in white-collar shenanigans, but the large-scale lawbreakers. "I don't know whether there's been much of an increase in the overall prosecutorial appetite," says attorney Robert Morillo of Obermaier, Morillo & Abramowitz. "But there has been a rise in the high-visibility cases, and that's likely to continue."

Such magazine-cover trials are designed as much to nab the big fish as to scare and scatter the little ones. But even as they dash the reputations of their defen-

dants, they often make the reputations of their lawyers. Without Boesky, Pitt would be almost unknown. Kostelanetz rose to prominence successfully defending T. Vincent Quinn, a Queens County district attorney indicted for conflict of interest in 1952. It was only later that he had the clout to attract such high-profile clients as Lyndon Johnson aide Bobby Baker, J. Truman Bidwell (former chairman of the New York Stock Exchange), and Dr. Kenneth Riland (a physician to Richard Nixon charged with income-tax fraud during the Watergate years). Arkin's marquee cases have included the trial of Michael Nussbaum, former campaign manager for the late Queens borough president, Donald Manes, and a U.S. Supreme Court defense of Vincent Chiarella, the first widely publicized insider-trading defendant.

No matter how notorious many of their clients may be, pinstripe defenders tend to maintain a protective—almost fierce—loyalty to the clients they've guided through the courts. Kostelanetz speaks fondly of Quinn, as does Arkin of Nussbaum. Fleming openly gushes about John Mitchell, whom he defended against charges of perjury and obstruction of an SEC investigation.

Though such unblinking loyalty may be unsettling to the public

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## PIERRE BALMAIN

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## GRAND SLAMMER

*continued from page 1*

chased at the commissary. Although it is a combination lock, it is also coded on the back so prison officials can open it whenever they want.

Like the lock, your cubicle also represents what Eglin really means. The cube is not a cell, and no doors clang shut when you walk in and out. Yet you'll have less privacy than in a cell, and there is not enough space for both you and your cubemate to move about at the same time. Recalls a recent former inmate, a major money launderer from Miami: "There wasn't a night at Eglin where I slept through the whole night. With forty to fifty men in just one part of the unit, and four times that many in the whole dorm, with everybody snoring or coughing or sneezing or yelling in their dreams, it was hell trying to get through every night."

Neither will your cubicle be your retreat. *You will be held responsible for the condition of your living area, the rules warn. Failure to comply with these regulations will result in a disciplinary report.* So you will clean and mop the floor and make your bed before reporting to work call every morning. You will crease and envelope-fold the corners of your bunk coverings, military-style, tighten them smooth enough to bounce a dime, and leave an eight-inch collar at the turndown.

After you are indoctrinated with the rules and regulations, you will be assigned your job and your work schedule.

**F**rankly, Mr. B. Eglin doesn't need another arbitrageur. In fact, it doesn't need *any* arbitrageurs, just as it doesn't need and can't use any doctors or lawyers or stockbrokers or investment bankers or exotic-goods importers. But it has plenty of each. As a result, since there are very few desk jobs as clerks or bookkeepers available, the vast majority of white-collar criminals at Eglin are doing blue-collar work. When new dorms and warehouse units were recently built, many new inmates

found themselves pushing wheelbarrows or hammering rafters and doing other hard labor. Some appreciated the new lifestyle, according to Warden Mike Cooksey: "You'd be surprised how many lawyers and accountants who are pale and fat and on the edge of heart attacks when they get here later come up and thank me for saving their lives, for getting them in shape."

As much as you may look forward to adding definition to your deltoids, Mr. B. the inside word is that there are some hard-labor jobs you should hope to avoid. Working at the tire factory on the Air Force base, for instance, is daily blackface-dirty business. And in the summer the laundry is unbearable. Kitchen work is also hot and hard, but the early shift starts at 3:00 in the morning, which means you finish earlier in the day and can avoid the long evening lines at the telephones or get some quiet afternoon rest in an uncrowded dorm.

However, because of the large number of inmates at Eglin and the limited amount of productive work available, there are battalions of workers assigned to ground-keeping, building maintenance, and all sorts of general landscaping chores.

It is especially apparent within the prison itself. There are exclusive country clubs in Long Island that don't look as immaculately maintained. There are world-class golf courses whose greens aren't as meticulously edged as the walkways at Eglin. The glass gleams forever spotless on the dormitory doors, and the brass handles and kickplates, polished repeatedly each day, would put the brightwork on a fleet admiral's command ship to shame. Even older inmates, guys like Aldo, who arrived when he was 81, are assigned work details. See those omnipresent sand-filled ashtray cans attached to walls and posts all over the place? See that old man shuffling around with that little hand strainer dipping into the butt cans and removing the butts? Compared to the population on the outside, a larger ratio—about 50 percent—smoke at Eglin. But no

cigarette butt remains in an ashtray or butt can for very long at Eglin, thanks to an army of sand strainers.

And don't even bother looking for wads of dry gum on the walkways. Gum chewing is prohibited at Eglin.

The routine changes a bit on Saturdays, Sundays, and holidays. You will still be subject to stand-up counts throughout the day and night. But unless you're working the daily service jobs, such as cooking or kitchen details, you have the time to yourself. Visiting hours are from 8 a.m. until 3:30 p.m., but family and friends can simply drop in. When you arrive at Eglin, you will submit a list of the names of family members and relatives you would like to see. Each must be approved. Your sister-in-law, for instance, may be considered a negative influence for calling you "the bum" in *Time*. Nonfamily members can visit only if you submit a special request form three weeks in advance of their planned visit.

And, by the way: visitors are also prohibited from chewing gum at Eglin.

Your contact with visitors will be restricted—hand-shaking, kissing and embracing are permitted, but only upon arrival and departure. You may also want to tell Mrs. B that, during the visit itself, she'll be permitted to put one arm around your shoulder, upper back, or waist. No touching anywhere.

At the end of the visit and before leaving the visiting room, each inmate will step into a closetlike room next to the exit. There you may have to remove all your clothing and be searched.

Strip searching is an option that prison officials may exercise at any time. It is part of a constant surveillance and monitoring program.

At 10 p.m. you will return to your bunk for another head count. The lights will go out at 11 p.m.

At 12:30 a.m. guards will move through the dorms for another head count. Again at 2:30. And again at 4:30. Soon thereafter another day will dawn at Eglin.

*Gaeton Fonzi is a Florida-based writer and investigative reporter.*

## AVENUE SELECTIONS

PINSTRIPE  
DEFENDERS*continued from page 1*

and to prosecutors, pinstripe defense attorneys insist that it's essential to a successful defense. "A relationship between a criminal attorney and a defendant is not a purely commercial one," says Arkin. "You really have to *like* your client if you're going to work together closely."

Not that these attorneys spend their whole careers working cozily with the accused. In fact, most of them devote their first few years of practice not to representing lawbreakers, but to prosecuting them.

**T**he majority—and I mean vast majority—of people in our field start off working for the U.S. attorney," says Morillo, who spent seven years as a prosecutor in the Southern District of New York, arguably the nation's most prestigious federal district. "There is simply no better way to get trial experience."

Says Harvey Pitt, who spent ten years working for the Securities & Exchange Commission: "The first thing you have to be able to do for a client who's under attack is to know what's on the government's mind."

Knowing what's on the government's mind often helps defenders change the government's mind.

When a grand jury or an investigating body begins looking in a potential defendant's direction, the smart defense attorney doesn't begin planning how to prevent a conviction, but how to prevent an indictment.

"The biggest favor you can do for your client," says Arkin, "is to talk a prosecutor out of prosecuting. Sometimes you persuade him that your client is innocent; sometimes you concede that he did what the government says he did, but you argue that the offense is so small it just isn't worth pursuing. If you know what you're doing, a case can simply go away."

If practicing preventive law doesn't work and a client is for-

mally accused, the defense attorney must rely on an entirely different collection of tactics. The first is the plea bargain. Though the client hopes to avoid any punishment at all and often resists this approach, the lawyer who knows how severe the penalties can be often encourages it. Says Pitt of his client Boesky: "He may well have to do some time in jail. But we only had to plead guilty to one count; that's better than five."

When Kostelanetz represented presidential physician Kenneth Riland in his tax-evasion case, the lawyer's public relations approach was simple: he would paint the doctor not as a greedy millionaire trying to avoid paying his fair share to the government, but as a devoted—if befuddled—man of medicine who never quite figured how to file a tax return. "My defense was that this guy's a doctor, not an accountant," Kostelanetz says. "I had all his work papers and I argued that he just goofed them up." But he downplays the victory. "I got an innocent person off," says Kostelanetz.

As the number of prosecutions has increased, so has the severity of the punishment meted out by the courts. "The trend in these cases is toward more actual prison time," Morillo says. "About half of all people now convicted will do some time at minimum-security facilities."

For many white-collar attorneys, however, the plea bargain is not always a popular choice. Arkin explains that the prosecutor who couldn't be cajoled out of pursuing a case in the first place is not likely to dicker once a grand jury hands down an indictment.

Instead, one of the first steps some lawyers take in the face of a fresh indictment is to begin pleading the client's case not in the prosecutor's office or in court, but in the press.

"Handling a white-collar defendant—especially a high-profile white-collar defendant—can be a complicated thing," says Morillo, who currently represents John Zaccaro (husband of Geraldine

Ferraro), charged with bribery in a Queens cable-television deal.

"There are a lot of conversations you can have with reporters that can put your client in a very favorable light," he says. "You have to be willing to answer questions. If you refuse, they take that as a sign that you've got something to hide and that's what makes it into the papers."

**B**ut there are ethical questions. How far out on a legal limb is the good lawyer willing to crawl? Should a white-collar attorney handle the guilty-as-sin client?

"Every lawyer confronts the problem of the client who walks into his office and says, 'I did it but I don't want to plead guilty,'" says Morillo. "There's nothing wrong with going along with his wishes, with going to court and putting the state to the test of proving its case beyond a reasonable doubt."

Sometimes a zealous pinstripe defender can get downright testy when protecting his client in public. Pitt, for one, needs little prod to rise in angry defense of Boesky. "People are always asking, 'Why did he do it?' You can almost hear the self-righteousness in their voices. They all complain that he received too lenient a punishment."

But I don't see a single one of them offering to pay any part of his 'lenient' hundred-million-dollar fine or serve any of the time he may have to serve."

Indignation notwithstanding, Morillo, for one, concedes that the highly publicized cases like Boesky's and Levine's have helped curb corporate crime. Now, Morillo says, powerful people "don't just come to us after they've done something the prosecutor considers criminal."

"Now they call first," he says, "wondering if what they're about to do is criminal."

*Jeffrey Kluger, a nonpracticing attorney, is a freelance writer in New York specializing in business topics.*

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SATURDAY-SUNDAY, MARCH 21-22, 1987

## ECONOMIC SCENE

## Whither the Dollar? Baker Keeping His Own Counsel

By LEONARD SILK  
*New York Times Service*

**N**EW YORK — The United States ran a record deficit in merchandise trade of \$170 billion last year. And the broadest measure of the trade deficit, the balance of payments on current account, hit an all-time high of \$140 billion. Many economists, who consider the dollar still overvalued in these circumstances, are asking why the United States agreed at the Group of Six meeting in Paris to help stabilize the dollar at about its present level.

Treasury Secretary James A. Baker 3d, interviewed in Washington this week, declined to answer that question. He said it was "a subject I prefer not to talk about." His reason was that if he began to explain why he had agreed to help maintain the dollar where it is, "I would be accused of being a subject and up getting into some of the private agreements that support such an agreement" on the dollar.

President Woodrow Wilson once argued for open conventions, openly arrived at, but that is a position financial officials have always rejected, upholding the threat to the stability of markets.

Nevertheless, Mr. Baker has set the financial Sherlock Holmes of the world on a search for secret agreements.

• Widespread discontent, including the United States, with the extreme volatility of exchange rates.

• Concern that a continuing dollar decline would impede growth in the other industrial countries.

• The need of the United States for dollar stability to obtain assurances from the others that they will adopt measures of macroeconomic stimulus.

Mr. Baker said he still favored a conference to improve the international monetary system and contended that the Paris accord was a "step in the direction" of deeper monetary reform.

**O**N THE world debt issue, he said his plan, introduced 17 months ago at Seoul, was "pretty much on track." He said that "our proposal called for an additional \$20 billion in commercial bank lending over three years" along with additional funding from the World Bank and International Monetary Fund. "On Friday, with the closing of the Mexican package," Mr. Baker said, "you will see \$8.5 billion in new lending."

In the past 10 days, he added, Venezuela and Chile reached agreement with their private creditors. And the Philippines, he said, "appears to be making good progress." The only two problems, as far as he is concerned, are Brazil and Ecuador. He regards Ecuador, hammered by the oil price decline and an earthquake, as "a special case."

Mr. Baker was upbeat on the Brazilians: "They are, after all, paying on time all the debt service and principal on their official debts, having just rescheduled with the Paris Club." He said the Brazilian representatives had explained "in a nonconfrontational way" that they intend to pay their commercial bank debts in full but "need time."

Mr. Baker said there could be no "quick fixes" or "easy answers" to the debt problem, maintaining that it had taken 10 to 12 years to accumulate and could not be solved overnight.

He opposed debt relief — a cancellation of debts — contending that it would cut off future private lending. Policies to increase economic growth are the acceptable form of debt relief to Mr. Baker.

"We are seeing spreads decline, aren't we?" he said. And interest rates have come down 5 percentage points since 1984, he said.

See SCENE, Page 13

## Currency Rates

Cross Rates		March 20							
Amsterdam	2.069	1.320	112.91	32.04	1.035	5.451	124.97	134.85	Yen
Brestois (d)	37.025	26.078	6.234	2.725	1.324	24.76	35.85	35.85	
Frankfurt	1.085	2.378	36.045	1.005	1.000	4.02	17.99	17.99	
London (B)	1.022	1.022	2.905	1.000	1.000	3.945	14.90	14.90	
Milan	1.022	1.022	71.121	27.121	26.771	34.323	88.40	88.40	
New York (C)	1.022	1.022	1.022	1.022	1.022	1.022	1.022	1.022	151.270
Paris	0.995	1.024	1.024	1.024	1.024	1.024	1.024	1.024	
Paris	151.28	151.28	151.28	151.28	151.28	151.28	151.28	151.28	
Tokyo	1.022	1.022	1.022	1.022	1.022	1.022	1.022	1.022	
Zurich	1.022	1.022	1.022	1.022	1.022	1.022	1.022	1.022	
1 ECU	1.022	1.022	1.022	1.022	1.022	1.022	1.022	1.022	177.85
1 SDR	1.022	1.022	1.022	1.022	1.022	1.022	1.022	1.022	192.04

Closings in London and Zurich. Exchange in other European centers. New York rates of 4 P.M. (a) Commercial rates (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 N.O.S. not quoted; N.A. not available

(e) To buy one pound: \$145.605

Other Bonds — Yen		March 20							
Currency per U.S.	1.022								
Austria, 6 months	1.022	Denmark, 6 months	1.022	Finland, 6 months	1.022	Germany, 6 months	1.022	Iceland, 6 months	1.022
Austria, 12 months	1.022	Denmark, 12 months	1.022	Finland, 12 months	1.022	Germany, 12 months	1.022	Iceland, 12 months	1.022
Baltic, 6 months	1.022	Baltic, 12 months	1.022	Baltic, 18 months	1.022	Baltic, 24 months	1.022	Baltic, 30 months	1.022
Brazil, 6 months	1.022	Brazil, 12 months	1.022	Brazil, 18 months	1.022	Brazil, 24 months	1.022	Brazil, 30 months	1.022
Brazil, 12 months	1.022	Brazil, 18 months	1.022	Brazil, 24 months	1.022	Brazil, 30 months	1.022	Brazil, 36 months	1.022
Brazil, 18 months	1.022	Brazil, 24 months	1.022	Brazil, 30 months	1.022	Brazil, 36 months	1.022	Brazil, 42 months	1.022
Brazil, 24 months	1.022	Brazil, 30 months	1.022	Brazil, 36 months	1.022	Brazil, 42 months	1.022	Brazil, 48 months	1.022
Brazil, 30 months	1.022	Brazil, 36 months	1.022	Brazil, 42 months	1.022	Brazil, 48 months	1.022	Brazil, 54 months	1.022
Brazil, 36 months	1.022	Brazil, 42 months	1.022	Brazil, 48 months	1.022	Brazil, 54 months	1.022	Brazil, 60 months	1.022
Brazil, 42 months	1.022	Brazil, 48 months	1.022	Brazil, 54 months	1.022	Brazil, 60 months	1.022	Brazil, 66 months	1.022
Brazil, 48 months	1.022	Brazil, 54 months	1.022	Brazil, 60 months	1.022	Brazil, 66 months	1.022	Brazil, 72 months	1.022
Brazil, 54 months	1.022	Brazil, 60 months	1.022	Brazil, 66 months	1.022	Brazil, 72 months	1.022	Brazil, 78 months	1.022
Brazil, 60 months	1.022	Brazil, 66 months	1.022	Brazil, 72 months	1.022	Brazil, 78 months	1.022	Brazil, 84 months	1.022
Brazil, 66 months	1.022	Brazil, 72 months	1.022	Brazil, 78 months	1.022	Brazil, 84 months	1.022	Brazil, 90 months	1.022
Brazil, 72 months	1.022	Brazil, 78 months	1.022	Brazil, 84 months	1.022	Brazil, 90 months	1.022	Brazil, 96 months	1.022
Brazil, 78 months	1.022	Brazil, 84 months	1.022	Brazil, 90 months	1.022	Brazil, 96 months	1.022	Brazil, 102 months	1.022
Brazil, 84 months	1.022	Brazil, 90 months	1.022	Brazil, 96 months	1.022	Brazil, 102 months	1.022	Brazil, 108 months	1.022
Brazil, 90 months	1.022	Brazil, 96 months	1.022	Brazil, 102 months	1.022	Brazil, 108 months	1.022	Brazil, 114 months	1.022
Brazil, 96 months	1.022	Brazil, 102 months	1.022	Brazil, 108 months	1.022	Brazil, 114 months	1.022	Brazil, 120 months	1.022
Brazil, 102 months	1.022	Brazil, 108 months	1.022	Brazil, 114 months	1.022	Brazil, 120 months	1.022	Brazil, 126 months	1.022
Brazil, 108 months	1.022	Brazil, 114 months	1.022	Brazil, 120 months	1.022	Brazil, 126 months	1.022	Brazil, 132 months	1.022
Brazil, 114 months	1.022	Brazil, 120 months	1.022	Brazil, 126 months	1.022	Brazil, 132 months	1.022	Brazil, 138 months	1.022
Brazil, 120 months	1.022	Brazil, 126 months	1.022	Brazil, 132 months	1.022	Brazil, 138 months	1.022	Brazil, 144 months	1.022
Brazil, 126 months	1.022	Brazil, 132 months	1.022	Brazil, 138 months	1.022	Brazil, 144 months	1.022	Brazil, 150 months	1.022
Brazil, 132 months	1.022	Brazil, 138 months	1.022	Brazil, 144 months	1.022	Brazil, 150 months	1.022	Brazil, 156 months	1.022
Brazil, 138 months	1.022	Brazil, 144 months	1.022	Brazil, 150 months	1.022	Brazil, 156 months	1.022	Brazil, 162 months	1.022
Brazil, 144 months	1.022	Brazil, 150 months	1.022	Brazil, 156 months	1.022	Brazil, 162 months	1.022	Brazil, 168 months	1.022
Brazil, 150 months	1.022	Brazil, 156 months	1.022	Brazil, 162 months	1.022	Brazil, 168 months	1.022	Brazil, 174 months	1.022
Brazil, 156 months	1.022	Brazil, 162 months	1.022	Brazil, 168 months	1.022	Brazil, 174 months	1.022	Brazil, 180 months	1.022
Brazil, 162 months	1.022	Brazil, 168 months	1.022	Brazil, 174 months	1.022	Brazil, 180 months	1.022	Brazil, 186 months	1.022
Brazil, 168 months	1.022	Brazil, 174 months	1.022	Brazil, 180 months	1.022	Brazil, 186 months	1.022	Brazil, 192 months	1.022
Brazil, 174 months	1.022	Brazil, 180 months	1.022	Brazil, 186 months	1.022	Brazil, 192 months	1.022	Brazil, 198 months	1.022
Brazil, 180 months	1.022	Brazil, 186 months	1.022	Brazil, 192 months	1.022	Brazil, 198 months	1.022	Brazil, 204 months	1.022
Brazil, 186 months	1.022								



## Plea Shows SEC Moving Beyond Insider Trading

*The Associated Press*  
NEW YORK — To many, Wall Street's sprawling scandal is analogous to the police who stop a car for speeding, then discover drugs and weapons in the back seat. And no one knows what they will find in the trunk.

The police in this case, the Securities and Exchange Commission and the U.S. attorney's office in Manhattan, began uncovering insider stock trading by snaring a corporate deal maker, Dennis B. Levine, and a prominent takeover speculator, Ivan F. Boesky, last year.

Another major figure, the top merger specialist Martin A. Siegel, came forward last month and pleaded guilty to insider trading.

But now, with the trading specialist Boyd L. Jefferies agreeing Thursday to plead guilty to a charge involving Mr. Boesky but not directly tied to insider trading, investigators seem to be beginning to fulfill their pledge to look beyond insider trading and pursue corruption throughout the financial markets.

Perhaps just as importantly, the Jefferies plea underscores how the authorities are not only searching for individual abuse, but are examining the overall takeover mechanism that brings different financial players together.

These players include investment bankers and lawyers who are regularly privy to confidential corporate data; professional speculators or arbitragers, who bet on stocks thought to be involved in takeovers; traders such as Jefferies & Co., which specialize in amassing huge blocks of stock often sold to corporate raiders to aid their bids;

### U.S. Subpoenas American Express

*United Press International*

NEW YORK — American Express Co. revealed Friday it had been subpoenaed by the Securities and Exchange Commission in connection with transactions with Jefferies & Co. and others.

It said the subpoenas involved documents on transactions in securities of Fireman's Fund, an insurance company spun off to the public in May. Shearson Lehman Brothers Inc., the brokerage unit of American Express, also was served with a subpoena.

the raiders themselves; and investment firms that bankroll takeovers.

The players' relationships have dramatically changed the way that takeovers, and related stock trading, have been conducted in recent years. As shown by the government's charges to date, the ties also created the potential for abuse.

Before Thursday's announcement, the scandal mainly involved the investment bankers, lawyers and arbitragers who personally traded stocks on the basis of important information not yet available to the public, such as a pending takeover bid. To do so is illegal.

Those implicated generally were accused of swapping information about potential takeover targets, perhaps for a fee, then buying those stocks on the assumption that prices would soar once the takeovers were publicly announced.



Donald Wagner/The Associated Press  
Boyd L. Jefferies, one of the top U.S. securities brokers, in his office in Los Angeles.

### PROFILE: Associates Saw Him as 'Straight Shooter'

(Continued from first finance page)  
in Long, analyst for Lipper Analytical Securities in New York.

One institutional client and shareholder said he would be concerned whether or not this triggers a whole group of defections.

The key, he added, will be whether Mr. Baxter can keep his trading group together.

But several clients rushed to the company's defense Thursday. They said they would remain loyal as long as the firm retains its crack trading staff.

"This won't diminish them, there are too many good people there," a client said. "No question Boyd was a workaholic, a motivator and a driving force, but in no way do I believe this jeopardizes the Jefferies company."

Clients and company officials noted that Mr. Baxter, in effect, has been running the company for the loyalty of Boyd's clients," said Per-

sonal few months since Mr. Jefferies was subpoenaed by federal authorities in connection with the insider trading investigation involving the speculator Ivan F. Boesky.

And there has not been any noticeable decline in the firm's business since then, they said.

Mr. Baxter was described by one company official as more low-key and subtle than the hard-driving Mr. Jefferies, but also as a skilled trader and a man who understands back-office accounting.

Meanwhile, some clients and shareholders speculated that Jefferies could become more attractive as a takeover target. At Thursday's closing price of \$11 a share, the firm is trading at about its net worth per share, far lower than the stock prices of many other brokerage firms, one institutional client and shareholder said.

### JEFFERIES: Broker Pushed Rules, Himself Too Far

(Continued from first finance page)  
ers away from the tumult of the exchanges. But it is the company's off-hours trading and its close relationships with corporate raiders and arbitragers that have kept it in the spotlight in recent years.

He said that the company still hoped to expand by setting up offices in Asia to facilitate round-the-clock trading. "That's where the future is," he said.

But many observers said it would not be easy for the company to overcome the loss of Mr. Jefferies, 56. "The spirit and guiding force of the company was Boyd himself," said a competitor who asked not to be named. "His own intensity was passed on to those who worked for him, and he almost physically drove that organization on a daily basis."

Mr. Jefferies spent his days manning the trading desk and looking over the shoulders of his traders, appearing brusque and intimidating to many but also inspiring loyalty among employees.

If there's any organization on Wall Street of that size that is dominated by one personality, it is Jefferies," said one competitor.

Permit Long, who follows the securities industry for Lipper Analytical Services, said that the loss of Mr. Jefferies would almost certainly slow the company's rate of growth, which in the last few years has been in excess of 16 percent.

Mr. Long said the company's activities in off-hours trading and in selling large blocks of stocks to takeover specialists might be constrained, especially if Congress or the Securities and Exchange Commission enacted tougher regulations as a result of disclosures about insider trading.

To give itself greater freedom, Jefferies gave up its seat on the New York Stock Exchange on Feb. 12. Jefferies stepped into the void.

Buyers and sellers who would otherwise have had to wait 18 hours until the market reopened were able to trade the stocks of both companies through Jefferies. Within a few hours, Pennzoil's shares were trading through Jefferies.

Mr. Baxter said that 90 percent of the company's revenues came from institutional trading, where Jefferies matched buyers and sellers.

Jefferies \$14 higher than their close on the Big Board while Texaco's stock tumbled \$4 a share.

Jefferies also fills the void when an exchange halts trading in a security pending an announcement or because of an order imbalance. This practice infuriates the stock exchanges, which fear losing more volume to the third market.

Within Jefferies & Co., there had been increasing concern that Mr. Jefferies' drive to win institutional business was compelling him to agree to transactions that were too risky — or, as it turned out, illegal.

In October, for example, the company's board, seeking to avoid what could have been a protracted and expensive lawsuit, agreed to settle a dispute with a client over a transaction arranged by Mr. Jefferies that had gone sour.

The board agreed to settle the case for \$5 million, but forced Mr. Jefferies to pay \$3.8 million of that sum himself — a warning, according to an adviser to the company, that Mr. Jefferies had to become more careful about how he structured the deals he arranged.

The SEC is now looking into how Mr. Jefferies accounted for the payments on its books. But Mr. Baxter, the new chief executive, said that the case was unrelated to those to which Mr. Jefferies had agreed to plead guilty.

Mr. Jefferies founded the firm in 1962 and sold it to Investors Diversified Services in 1969. Four years later, he led a group that bought the company back and in 1983, he took Jefferies & Co. public.

Mr. Baxter said that the firm's capital currently totals \$120 million. Jefferies has 445 employees, including 190 traders, with six offices in the United States and one in London, he said.

### BUSINESS ROUNDUP

## USAir Partially Cleared For Piedmont Takeover

*The Associated Press*

WASHINGTON — The Transportation Department cleared the way Friday for USAir to purchase a controlling interest in Piedmont Aviation Inc., pending the government's final approval.

USAir, which reached agreement on the \$1.59 billion merger earlier this month, must put all Piedmont shares in a separate voting trust pending final approval of the acquisition, the department said.

USAir had sought government agreement to purchase all of Piedmont Aviation, but the Transportation Department said it may hold only 51 percent for the time being.

USAir, headquartered outside Washington, and Piedmont, which has its headquarters in Winston-Salem, North Carolina, agreed March 3 to merge.

USAir's agreement thwarted a hostile takeover attempt of USAir by Carl C. Icahn, chairman of Trans World Airlines.

The Transportation Department must still consider whether the merger of USAir and Piedmont is in the public interest and does not result in harm to competition. But

### Berliner Bank Suspends 3 Aides After Losses

*Reuters*

BERLIN — Berliner Bank AG has incurred losses of 10 million to 100 million Deutsche marks (\$5.5 million to \$55 million) because credits were granted by officials there who exceeded their authority, a bank spokesman said.

The spokesman declined to say exactly how large the losses were. Berliner Bank has suspended the three managers of the Stuttgart branch and is continuing an investigation into the case, in which state prosecutors are also participating.

The spokesman said that the managers had exceeded their authority — merged in a routine check at the branch. The city of West Berlin owns 74 percent of Berliner Bank and the rest is publicly owned.

In 1984, Berliner Bank sold 26 percent of its capital to private investors. The bank, established in 1950, reported assets of 12.5 billion DM in 1984.

TWA Drops Takeover

TWA agreed Thursday in federal court in Pittsburgh to back away from its \$1.5 billion takeover proposal for USAir, United Press International reported from New York.

TWA said Friday that the court agreement confirmed its earlier announced intention not to increase its 15 percent stake in USAir.

The Transportation Department

## EC Says U.S. Broke Rules In Akzo-Du Pont Dispute

*Reuters*

BRUSSELS — The European Community Commission charged Friday that the United States was breaking international trade rules by excluding Dutch-made fibers from the U.S. market because of a patent dispute.

The commission said it would ask for a ruling on the matter by the General Agreement on Tariffs and Trade in the latest trade dispute with the United States.

Commission officials did not rule out retaliatory measures if GATT decides against the ban and if the law is not then changed to adhere to international rules.

Any such steps would be aimed at getting Washington to change the disputed section and not at compensating Alzo or penalizing Du Pont. They want a ruling on whether the law violates GATT's rules.

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Another stimulus to change was a growing concern by the government in Tokyo that insurers who had all their investments in Japan in which more than 90 percent of households have some form of life insurance, the population is aging and other financial institutions are rushing to provide a wide range of services.

Another stimulus to change was a growing concern by the government in Tokyo that insurers who had all their investments in Japan in which more than 90 percent of households have some form of life insurance, the population is aging and other financial institutions are rushing to provide a wide range of services.

As a result, new laws encourage insurers to invest overseas; to set up subsidiaries in other financial services such as leasing, mortgages and credit cards, and, more recently, to underwrite Japanese government bonds and offer financial consulting services.

The insurance industry had been fairly unsophisticated in Japan compared to the banks and securities firms," said Arthur Mitchell, a partner at Coopers & Lybrand, a law firm with extensive contacts and leveraged.

"You are talking about a company with an unbelievable clout," said a senior executive at a leading American insurance company, who asked not to be named. "They can really throw their weight around."

As of March 31, 1986, the end of its most recent fiscal year, Nippon had assets with a book value of \$83 million.

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Paribas Plans Issues of Shares

PARIS — Compagnie Financière de Paribas, the newly decentralized financial services group, said it would call an extraordinary meeting of shareholders for the authorization to issue shares and bonds.

It said Thursday that it would seek permission to increase capital, currently 2.33 billion French francs (\$381.97 million), by up to 2 billion

bonds redeemable into ordinary shares. Paribas is currently 50 percent owned by the Japanese real estate after Mitsubishi Corp.

Despite its age and resources,

Paribas is in some respects a financial neophyte. Japan's close-knit life insurance community — there are 23 companies compared with more than 3,000 in the United States — was so tightly regulated until the 1980s that it remained a major earthquake struck the country.

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## Dollar Eases in N.Y.; Canadian Currency Firms

Compiled by Our Staff From Dispatches

**NEW YORK** — The dollar closed slightly lower Friday after a mixed performance in Europe as the Canadian dollar captured the spotlight on foreign exchange markets.

There was "very strong interest in the Canadian dollar," said James McGratty, vice president of Discount Corp. of New York. He said that the U.S. dollar, the pound and the yen remained fairly stable.

The U.S. currency fell in New York to 1.8235 Deutsche marks from 1.8335 Thursday, to 1.51.375 yen from 1.51.425, to 6,0900 French francs from 6,025 and to 1.5305 Swiss francs from 1.5345. It also dipped against the pound, which closed at \$1.6045; up from \$1.5975.

"There are reports," Mr. McGratty said, "that insurance companies and investment houses in Japan are cutting back on investments in the United States and shifting some investment flows to nondollar investments: pounds, Deutsche marks, and Canadian dollar bonds." The dollar fell to 1.3825 Canadian dollars from 1.31470 Thursday.

In London, the dollar closed at 1.8232 DM, down marginally from 1.8333 DM at Thursday's close, and at 151.65 yen, up from 151.45.

It rose against the pound, which

Country	Fr.1.	Yen
Canada	1.0222	1.0223
United States	1.0209	1.0208
Japan	1.5145	1.5145
Swiss franc	1.5245	1.5245
French franc	4.6200	4.6200

Source: Reuters

closed at \$1.6020, down from \$1.6038.

Dealers said that market sentiment remained in the pound's favor after the unveiling of a cautious budget 1987-88 budget this week by Britain's Conservative government.

A U.S. bank trader said that Britain's relatively high interest rates continued to attract foreigners because of the dull conditions elsewhere on currency markets.

Foreign investors were encouraged this week by a cut in projected government borrowing in the British budget.

The outlook for the pound, however, remains partly dependent on the market's expectations for the dollar, dealers said.

Investors and speculators remain convinced that central bankers are ready to intervene by buying or

selling dollars to keep the currency within a fairly narrow range, dealers said.

They believe that finance ministers of the United States, Japan, West Germany, Britain, France and Canada secretly agreed at their Feb. 22 currency meeting to floors and ceilings for the dollar.

So far, the dollar has held within a range of 1.82 to 1.87 DM since then and has shown little change against other major currencies.

If operators can build up enough confidence to test the limits of the current range, dealers said, interest in the pound will wane and upward pressure will slacken.

In earlier European trading, the dollar was fixed in Frankfurt at 1.8305 DM, down from 1.8336 Thursday, and in Paris at 6,0965 French francs, down from 6,1030.

(UPI, Reuters)

## As Economy Recovers, Singapore Dollar Is Expected to Firm

Reuters

**SINGAPORE** — The Singapore dollar could firm 3 percent to 5 percent against the U.S. dollar this year as Singapore's economy starts to recover, according to currency dealers.

But they said that against other major currencies, it was unlikely to regain much of the value lost since mid-1985.

Currency analysts said that this year the local dollar could firm to 2.05 against the U.S. dollar from its current level of around 2.14. They said it was likely that the Monetary Authority of Singapore would intervene to stop dramatic fluctuations.

Dealers said the Singapore dollar had participated in the general rise of currencies against the U.S. dollar, firming from just over 2.20 in April 1986.

Victor Lam, president of the Forex Association of Singapore, forecast that in the future it

would not appreciate as much against the U.S. dollar as would currencies of other newly industrialized countries, because Singapore was still recovering from recession.

But they said this would encourage U.S. investment in Singapore, as well as investment from nondollar currency areas, especially Japan.

Last year the Singapore dollar weakened 24 percent against the yen, after a 17 percent decline in 1985. It declined about 23 percent against the Deutsche mark and Swiss franc, and 5 percent against the British pound.

Department of Statistics figures show that Singapore's inflation rate is low. The consumer price index rose 0.6 percent in January to 102.6, after a 0.1 percent increase in December.

Japanese investments in Singapore doubled last year to 489.7 million dollars (\$228.25 million) from 244.1 million dollars in 1985.

Officials of the government's Economic Development Board said Japanese companies that were shifting to Southeast Asia were shifting manufacturing to Singapore because of the strong yen.

Economists said the inflow of long-term investment funds, which rose 27 percent to 1.4 billion Singapore dollars in 1986, would tend to firm the Singapore dollar. But they said this was likely to be offset by net capital outflows.

Banking sources said that last year domestic demand for bank loans was low, causing a capital outflow. Demand is rising, but a robust recovery is not expected this year, they said.

The balance of payments surplus narrowed to 1.2 billion dollars in 1986 from 3 billion in 1985.

Singapore's economic growth rate last year, adjusted for inflation, was 1.9 percent, according to a government estimate.

The Fed injected temporary reserves into the banking system on

four of the five trading days by means of system and customer repurchase agreements.

Fed funds will be coming under relatively intense pressure, said Salomon's Mr. di Clemente, referring to the approaching end of the month and of the first quarter, and of the round of holidays and tax dates in April.

"The Fed is faced with a large seasonal adding requirement," said Ward McCarthy of Merrill Lynch & Co., who expects a permanent bid purchase next week and a coupon purchase in early April.

Economists were also heartened by further signs of a deceleration in money supply growth, not only in the largely discredited M-1 gauge but also in the more closely watched M-2 and M-3 aggregates.

M-1, the narrowest measure of the money supply, consists of money in circulation, in traveler's checks and in checking accounts. M-2 consists of M-1 and savings and small time deposits, most money market mutual fund shares and other items. M-3, the broadest aggregate, includes M-2, large deposits and other items.

M-1 grew only \$500 million in the week ended March 9, far below private forecasts of a \$2.3 million rise.

The M-1 increase was surprisingly modest and I suspect we are on our way to another moderate set of M-2 and M-3 figures for March," said Mr. di Clemente.

Merrill's Mr. McCarthy said they could even come in below the bottom of their respective target ranges.

In February, M-2 was \$18.2 billion below its upper limit and M-3 was \$20.8 billion below.

"Many governments, including

the United States, contributed to a deeper and longer worldwide depression in the 1930s by adopting isolationist economic policies," he told a congressional committee last week. "In an effort to stimulate domestic demand and employment, governments erected high tariffs and other barriers to protect their domestic producers from imports. They also undermined currency arrangements in an attempt to promote exports and generate jobs. These autarkic actions choked off international trade and capital flows."

## Fed Data Suggest Banks Have Ample Reserves

Reuters

**NEW YORK** — The latest Federal Reserve data suggest that as the U.S. banking system enters a period of traditional tightness, the system is flush with reserves and overall monetary policy is on hold, economists said.

"There is ample liquidity," said Maria Ramirez of Drexel Burnham Lambert Inc. "The Fed is not going to shift gears at the present time or for at least another month."

"Technical and seasonal considerations aside," said Robert di Clemente of Salomon Brothers Inc. "There is nothing" for the credit market "to get excited about."

Adjusted bank borrowings from the Fed's discount window averaged only \$228 million a day in the first week of the bank statement period ending next Wednesday, compared with \$233 million and \$451 million in the first weeks of the previous two periods.

Another sign of abundant liquidity was the upward revision in banks' net free reserves in the two-week period ended March 11 to a daily average of \$759 million from an estimated \$660 million.

Finally, a Fed spokesman said that the 14 money center banks were absent from the Fed's discount window for the third week running, with the latest week's borrowing split between the large regional and the smaller banks.

While modest open market intervention was apparently enough to defuse any funding pressures in the first week of the latest statement period, economists predicted that the Fed would have to be more aggressive in coming weeks.

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## EC, Comecon End Talks Still Blocked on Berlin

International Herald Tribune

**GENEVA** — The European Community and the Soviet bloc's Council for Mutual Economic Assistance, or Comecon, ended their first round of negotiations Friday on establishing formal relations. But the two sides remained sharply divided over the question of including West Berlin in the Western group, diplomats said.

Although officials of the 12-member EC said they had made some progress in three days of talks here, they added that the 10-nation Comecon had refused to accede to the EC position on West Berlin, which is physically isolated inside East German territory.

EC sources said they expected a new Comecon offer on West Berlin when the talks resume at an unspecified date later this year. Under the 1957 Treaty of Rome that formed the EC, West Berlin is termed an integral part of the Western economic group.

An official communiqué by the community said the talks took place in a "good and businesslike atmosphere" and added that "each side put forward drafting suggestions for several provisions of the text."

"Some progress was made towards clarifying positions and bringing them closer together," the statement said. "The delegations were of the opinion that another meeting would be necessary for the completion of this work."

This round of negotiations was the second time the two sides had met in six months. A meeting of experts here last September broke a five-and-a-half-year hiatus that began in 1981, when the talks broke off amid deteriorating East-West relations.

Total EC trade with Comecon in 1986 amounted to about \$47 billion, according to figures from the UN Commission for Europe.

## SCENE: Talking With James Baker

(Continued from Page 9)

noted, saving major debtors more than \$13 billion a year in interest.

The Treasury secretary said he was not pushing the Federal Reserve to cut rates further. "The course of Fed policy," he said, "is quite adequate, as far as we are concerned."

Mr. Baker considers that maintaining open trade and investment is crucial to avoiding another Great Depression.

"Many governments, including

the United States, contributed to a deeper and longer worldwide depression in the 1930s by adopting isolationist economic policies," he told a congressional committee last week. "In an effort to stimulate domestic demand and employment, governments erected high tariffs and other barriers to protect their domestic producers from imports. They also undermined currency arrangements in an attempt to promote exports and generate jobs. These autarkic actions choked off international trade and capital flows."

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## SPORTS

**Fun, Thunder at Hunt Races****English, Irish Join to Admire the Great Leaping Horses**

Francis X. Clines

New York Times Service

CHELTENHAM, England — If there is some magical creature that can bring the Irish and English closer together, it was running here Thursday on four legs.

More than running, the great leaping race horses of Britain and Ireland went booming around the champion steeplechase course set in the gentle Vale of Gloucester, "wing in a competition that is one of the few annual reliable high points of British-Irish relations."

It is the National Hunt Racing contest, three days of competition rooted in the resident green turf and broad noble backs of the bloodline the two nations proudly share the world's finest hunters and steeplechase racers.

"You have to love them," said Rick Cook, an advertising executive who comes each year from London, 90 miles (145 kilometers) to the east, to admire the many visiting Irish horseplayers as much as the champion Irish horses.

"God, they're fearless punters," he said of the British bettors who make this the last grand Saturnalian rite of the British winter. "They'll throw everything they own at the bookmakers and they'll do it for the sheer fun."

Joe Stapleton, an Anglophile when it comes to horses, said he makes his annual fanatic outing from Tipperary across the Irish Sea because there is no place like Cheltenham for what the Irish term "the crack" — the sporting fun and thunder of a race among the best at gliding and pounding along the trekiest turf inclines.

"The crack is good here, it's a great atmosphere that we love, and there's no better horse racing possible," he said after losing \$300 on the nose of an Irish jumper in the first race. A companion reminded him that there was an alternative to teeth-grasping. "We'll drink our way out of it."

The betting, on the Irish side at least, is quite nationalistic.

When an Irish horse races off with a big prize, crowds of the Irish throw their hats in the air and burst onto the track from the low-priced betting quarter to lead the creature to the prize ring. English sports, who have been busy buying up strong Irish horses over the centuries, can only salute them.

The horses are beautiful brutes of stamina that must bound over as many as 30 rough-hedged five-foot-high (1.5-m-

*"It's a great atmosphere that we love, and there's no better horse racing possible."*

— Joe Stapleton, better from Tipperary

ter) hurdles in a grueling four-mile race. They draw money, growls and cheers from an assortment of winners and losers as refreshingly noisy as the Royal Ascot crowd is stylishly posed in the summer season of the thoroughbreds who race on the flat.

Some of the punters who come from Dublin each year by the tens of thousands were sipping hot Irish whiskey in the winter rawness Thursday morning, three hours before the first race.

With their keen eye for fleshly, they seemed as regal in their way as the aristocrats of blood and business out from London who sipped champagne and sherry in heated boxes and shopped seriously, it seemed, among a display of new Rolls-Royces between races.

The track is set in a fold of dappled hills. Slate-blue clouds raced overhead fast as the horses, first allowing snow to fall on some of the thirsty, open-shorted bettors busy reading the form as they handicapped the next race.

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**Robitaille Wins Rookies' Face-Off**

By Julie Cart

Los Angeles Times Service

PHILADELPHIA — Deep within a crowd of reporters, the Los Angeles Kings' ace rookie was trapped by relentless questioning and a sea of scribbling ballpoints. There was no escape but to hope for laryngitis or daybreak.

It wasn't the first time Luc Robitaille had drawn a crowd here Thursday night, but he had more difficulty riddling himself of these predators than he had in shaking Philadelphia Flyers' defensemen.

"Is that the rookie of the year in there?" the Kings' defensemen Jay Wells shouted to Robitaille.

Robitaille is not yet the rookie of the year, but his two goals reflected his decisive domination of the other candidate for the award — Flyers goaltender Ron Hextall.

The Kings' 5-2 victory in front of a sellout 17,222 in the Spectrum boosted Robitaille's stock for the rookies' Calder Trophy and the Kings' bold on the final playoff spot in the National Hockey League's Smythe Division.

It was the first victory for the Kings in the Spectrum since Nov. 3, 1983. They can thank Robitaille, who leads rookie scorers with 39 goals and 72 points.

"I think Luc just wrapped up the award," said fine-tuned Sean Kenney.

Hextall, 22, leads the league in nearly every goal-tending category, with a goals-against average of 2.99. But after allowing five goals

**NHL FOCUS**

in the first two periods — four in the second — Hextall was pulled in favor of Chico Resch.

Each team scored once in the first period, and the Kings blew it open in the second period. Bernie Nicholls' goal at 9:35 began a four-goal spurt by the Kings.

Robitaille's first goal, at 11:08, came on a breakaway. He picked up the puck at the Flyer blue line and charged Hextall.

The goaltender came out to the

edge of the crease with Robitaille skating fast on the left side. He faked a shot, then put the puck high to Hextall's glove side, the only spot the goalie could not reach.

Two minutes later, Robitaille took a pass from Bob Carpenter to score and make it 4-1.

Hextall — who has been assessed an NHL record 91 penalty minutes — dug the puck out of the net and sent it flying and then took a swipe at the ice with his stick. "I looked at him, and he looked real mad," Robitaille said.

The commissioner decided at the last moment to change the replay proposal to a one-year, rather than two-year, extension.

The debate was characterized by Rozelle as "emotional" at times. Jack Steadman, the Kansas City Chiefs' president, was one of those who opposed the measure.

"Our concern was primarily pace of the game," Steadman said. "We feel long delays of play like we saw last year kills momentum."

**■ London Game Proposal**

The Los Angeles Rams and Denver Broncos will meet Aug. 9 at London's Wembley Stadium if the NFL and its players union can settle a dispute over a union demand for \$80,000 to allow the preseas game to take place, The Associated Press reported from Kaapanaipali.

Rozelle announced the match-up Friday, but said it was contingent on settlement of the dispute with the Players Association, which must give permission to play what would be a fifth exhibition contest for both teams. The commission said the union wanted the money to

**English Soccer Professional Plays With Heart Pacemaker**

Reuters

LONDON — Chris Hemming has made soccer history by becoming the first professional player to be fitted with a heart pacemaker.

Hemming, a defender who will be 21 next month, had the pacemaker fitted last summer after persistent breathing problems. But his club, Stoke, standing seventh in the English League second division, has just released the news.

The manager, Mick Mills, said Friday: "We wanted to see how he coped when he came back before we released the story. We did not want to put further pressure on the lad at the time."

"He was not quite right early on and twice had to go back to have the pacemaker reset. Now it seems he has battled through his own personal trauma," said Mills, a former England captain.

Hemming, who joined Stoke from school, complained two years ago of breathing difficulties. He forced his way into the first team last season but was still struggling to finish games.

On Tuesday night, he came through a game without difficulty as Stoke beat second division rivals Sunderland, 3-0.

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The commissioner decided at the last moment to change the replay proposal to a one-year, rather than two-year, extension.

The debate was characterized by Rozelle as "emotional" at times. Jack Steadman, the Kansas City Chiefs' president, was one of those who opposed the measure.

"Our concern was primarily pace of the game," Steadman said. "We feel long delays of play like we saw last year kills momentum."

**■ London Game Proposal**

The Los Angeles Rams and Denver Broncos will meet Aug. 9 at London's Wembley Stadium if the NFL and its players union can settle a dispute over a union demand for \$80,000 to allow the preseas game to take place, The Associated Press reported from Kaapanaipali.

Rozelle announced the match-up Friday, but said it was contingent on settlement of the dispute with the Players Association, which must give permission to play what would be a fifth exhibition contest for both teams. The commission said the union wanted the money to

LONDON — Chris Hemming has made soccer history by becoming the first professional player to be fitted with a heart pacemaker.

Hemming, a defender who will be 21 next month, had the pacemaker fitted last summer after persistent breathing problems. But his club, Stoke, standing seventh in the English League second division, has just released the news.

The manager, Mick Mills, said Friday: "We wanted to see how he coped when he came back before we released the story. We did not want to put further pressure on the lad at the time."

"He was not quite right early on and twice had to go back to have the pacemaker reset. Now it seems he has battled through his own personal trauma," said Mills, a former England captain.

Hemming, who joined Stoke from school, complained two years ago of breathing difficulties. He forced his way into the first team last season but was still struggling to finish games.

On Tuesday night, he came through a game without difficulty as Stoke beat second division rivals Sunderland, 3-0.

Robitaille, 22, leads the league in nearly every goal-tending category, with a goals-against average of 2.99. But after allowing five goals

in the first two periods — four in the second — Hextall was pulled in favor of Chico Resch.

Each team scored once in the first period, and the Kings blew it open in the second period. Bernie Nicholls' goal at 9:35 began a four-goal spurt by the Kings.

Robitaille's first goal, at 11:08, came on a breakaway. He picked up the puck at the Flyer blue line and charged Hextall.

The goaltender came out to the

edge of the crease with Robitaille skating fast on the left side. He faked a shot, then put the puck high to Hextall's glove side, the only spot the goalie could not reach.

Two minutes later, Robitaille took a pass from Bob Carpenter to score and make it 4-1.

Hextall — who has been assessed an NHL record 91 penalty minutes — dug the puck out of the net and sent it flying and then took a swipe at the ice with his stick. "I looked at him, and he looked real mad," Robitaille said.

The commissioner decided

## POSTCARD

## A Shrine to the Tango

By Lydia Chavez  
New York Times Service

NEW YORK — With its framed news clippings and memorabilia, Abel Malvestiti's basement is a virtual shrine to tangos, his living room a side altar.

And because the best tangos are about love, lost and renewed, it seems natural that the music has played a role in Malvestiti's romantic life as well. At the 1973 Carnegie Hall Tango Festival, he met his wife, Josephine Adams, who plays the bandoneon, a concertina-like instrument used for the tango.

"She bought her ticket, I bought my ticket, we sat next to one another and that is where it started," the 74-year-old Malvestiti said at his home in Queens, a borough of New York City.

And now this tango enthusiast is trying to find out: if the bust of a legendary tango singer can find a home in Queens.

Malvestiti, a defender and disciple of the tango's most revered artist, Carlos Gardel, has put the question to the borough.

Some borough leaders object, saying they see the specter of a Queens awash in statues paying tribute to favorite singers, politicians or generals.

To Malvestiti any comparisons to his idol are an insult. He comes from a country where it is well known, and widely accepted, that despite his death more than 50 years ago, Gardel, born in France, raised in Argentina, and a denizen of the dockside nightclubs of Buenos Aires "sings better every day."

"It is impossible to find an international figure like Gardel," he said. "No one has surpassed the voice of Gardel — no one ever will."

Years ago, Malvestiti's request would have been fruitless. Nowadays, however, Queens has the most diverse of New York City's Hispanic enclaves, with residents from every Latin American country. Hispanic people made up 14 percent of the population in 1980, according to that year's census.

On some blocks, English, not Spanish, is the foreign language, and many shoppers along Junction Boulevard or Jamaica Avenue are more likely to know of Gardel than Bing Crosby.

"It is the logical place," Malvestiti said. Moreover, he said, the

movies Gardel made in the United States were filmed in Astoria, Queens.

In 1977, Malvestiti formed Los Amigos del Tango, or the Friends of the Tango, an organization that operates out of the basement of his home. In 1983, as president of the organization, Malvestiti made his first request that a memorial to Gardel be displayed.

The statue he had in mind was similar to the bust-on-a-pedestal version in Mar del Plata, an Argentine summer resort where tango still outtranks rock in popularity.

In 1985, George Ortiz, an assistant to Borough President Claire Shulman, wrote Malvestiti to say his "general request" had been approved, but the statue would have to be between 6 feet and 8 feet and generally life size.

The memorial has not been crafted yet, but Malvestiti said it would be made according to the regulations of the city agencies that oversee public art works.

Ortiz said he would suggest that Malvestiti present his proposal to the community board to place the memorial on a rectangular patch of grass close to one of the subway stations in Queens.

While he awaits approval, Malvestiti continues to spread the word of the tango from his home. Where a tango enthusiast might clip and file newspaper articles on the tango, Malvestiti has framed and hung such memorabilia.

The Friends of the Tango has 250 dues-paying members from around the world, including Spain, Japan and Uruguay. More than 100 gather monthly to dance.

Recently, when Placido Domingo sang some tangos at a Lincoln Center concert, Malvestiti was called on to produce some scores.

Malvestiti never tires of making his case in favor of Gardel. "Let me tell you about the influence of Gardel," he said pointing to a magazine article about a group of Colombian business executives who call themselves "widows of Gardel" and meet regularly to discuss the famous singer.

"Imagine that," he said "men calling themselves widows." His meaning was clear. Even the Hispanic macho persons had fallen by the wayside when confronted with Gardel.

## A Bit of Old Russia Flourishes Near Paris

By Axel Krause  
International Herald Tribune

M EUDON, France — A bit of Old Russia is flourishing just off a quiet street in this suburban town outside Paris. It also is one of the Western world's most influential centers for studying the Russian language and civilization.

Since its founding by Jesuit priests about 40 years ago, the Saint-Georges Russian Studies Center in Meudon has graduated more than 10,000 men and women, including students, professors, diplomats, military officers, journalists, businessmen, actors and actresses, primarily from Western Europe and the United States. The training, most agree, is difficult to obtain elsewhere outside the Soviet Union.

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